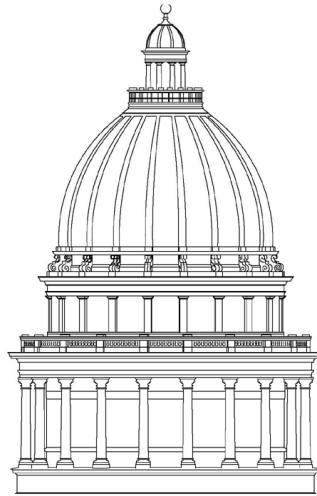REPORT TO THE

UTAH LEGISLATURE

Number 2022-06

A Performance Audit of the Division of Technology Services

August 2022

Office of the
LEGISLATIVE AUDITOR GENERAL
State of Utah

August 16, 2022

The Utah State Legislature:

Transmitted herewith is our report, A Performance Audit of the Division of Technology Services (Report #2022-06). An audit summary is found at the front of the report. The objectives and scope of the audit are explained in the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any items contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

Kade R. Minchey, CIA, CFE
Auditor General
kminchey@le.utah.gov

PERFORMANCE AUDIT

▶ AUDIT REQUEST

We were asked to determine the efficiency and effectiveness of the Division of Technology Services (DTS). This included whether DTS is fulfilling the statutory requirements for centralized IT services. As well as, whether DTS is meeting the executive agencies' business needs.

▶ BACKGROUND

DTS is the information technology (IT) authority for the executive agencies and is charged with providing technology services, hardware, and expertise.

H.B. 109 (2005) consolidated the executive branch IT services and governance in the executive branch into one department, to address efficiency, budget, and personnel needs.

DTS' mission is to provide innovative, secure, and cost-effective technology solutions that are convenient and empower the executive branch agencies to better serve Utah residents.

DTS' Efficiency and Effectiveness

KEY FINDINGS

✓ DTS is not providing adequate communication, oversight, and technology solutions to best serve agency needs.

✓ DTS is not regularly reviewing and adjusting its performance metrics to promote success.

✓ DTS owns all technology contracts but does not actively manage those contracts, which creates logistical difficulties for agencies.

✓ DTS is not communicating with agencies regarding enterprise initiatives and solutions.

DTS Needs to Develop Strategic, Proactive Partnerships with Agencies

According to **Utah Code 63A-16-104(2)**, DTS is to coordinate an executive branch strategic plan for all agencies. From our survey of agency executive teams, we found that that twenty individuals in ten different agencies - representing 53 percent of the agencies we surveyed - do not agree that DTS fosters a strategic partnership with their agency to provide value and solutions that meet their agency's needs. Improving the strategic partnership between DTS and state agencies will enable those agencies to accomplish their business goals.

Click or Scan for Executive Agency Survey Dashboard

RECOMMENDATIONS

✓ DTS needs to improve its strategic partnerships with state agencies.

✓ DTS needs to set clear stretch performance metrics that encourage service improvement and meet all standards of good performance metrics.

✓ The Legislature should consider clarifying the statute on whether DTS is required to own all technology contracts.

✓ DTS needs to improve oversight of IT projects and bolster enterprise IT project management systems.

REPORT SUMMARY

The Division Should Review Its Performance Metrics

The help desk support team is meeting most of its performance metrics every year, but it has not adjusted those goals, resulting in no meaningful metrics to encourage service improvement. DTS should establish performance metrics that strive to continuously improve the help desk support service.

The timeframe for procuring and deploying hardware did not consistently meet the performance metrics agreed upon in the service level agreements between DTS and the agencies. Additionally, over the previous five fiscal years, DTS did not accurately track or review the procurement and deployment data. Not reviewing or appropriately collecting data from these services that directly impact agencies' business, does not provide the division with a true understanding of its actual performance of services.
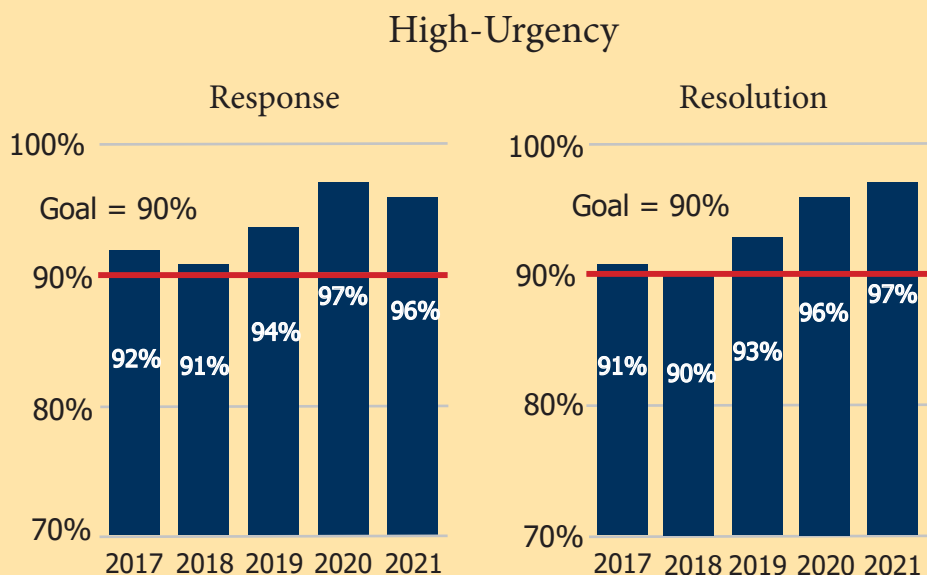
The Division Can Improve Its Oversight and Compliance with Requirements

DTS has not provided the oversight necessary, nor does it have adequate policies and procedures in place, to fulfill its statutorily required duties. DTS currently does not have policies and procedures for implementing and consistently using IT project scorecards, as well as not implementing an enterprise management system that keeps track of IT projects' status.

DTS is statutorily required to complete a third party security assessment every odd-numbered year. We believe the current security assessment process is not meeting legislative intent.

DTS Has Never Revised The Metrics it Consistently Meets

From fiscal year 2017 to 2021, DTS met or exceeded its goal for responding to and resolving high-urgency incidents. While the majority of the performance metric for help desk incidents met or exceeded its goals, the division does not regularly review and adjust its metrics to promote success.

High-Urgency

Response

Goal = 90%
2017: 92%
2018: 91%
2019: 94%
2020: 97%
2021: 96%

Resolution

Goal = 90%
2017: 91%
2018: 90%
2019: 93%
2020: 96%
2021: 97%

REPORT TO THE
UTAH LEGISLATURE

Report No. 2022-06

A Performance Audit of the
Division of Technology Services

August 2022

Audit Performed By:

Audit Manager	Brian Dean, CIA, CFE
Audit Supervisor	David Gibson, CISA
Audit Staff	Abigail Armstrong

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Chapter I
Introduction

The Division of Technology Services (DTS) is a state technology services entity. According to *Utah Code 63A-16-104*, DTS leads the state executive branch agencies in centralizing the state's information technology (IT) architecture. DTS is to ensure that cost-effective, efficient systems and resources are used by all executive agencies to meet agencies' business needs.

The Legislature asked the Office of the Utah Legislative Auditor General to review the efficiency and effectiveness of DTS. We evaluated the performance of the organization and the effectiveness of DTS management in leading and ensuring that the division meets the business needs of executive branch agencies.

The Division of Technology Services Provides Centralized Information Technology Services

DTS is the IT authority of the state and is charged with providing technology services, hardware, and expertise. DTS' mission is to provide innovative, secure, and cost-effective technology solutions that are convenient and empower its partner agencies to better serve Utah residents. DTS has five pillars or objectives:

- *Stimulate economic development*: Promote innovative services to agencies' businesses and develop easy-to-use digital business services from anywhere.

- *Elevate operational excellence*: Foster strategic partnerships with agencies to provide value and solutions that meet agency needs.

- *Improve quality of life*: Develop and support easy-to-use, accessible, and innovative government services. As well as promote innovative solutions to enhance agency service delivery.

- *Enhance security and compliance excellence*: Create a mindset that Security is everyone's job and promote a culture and

> **DTS' mission is to provide innovative, secure, and cost-efficient technology solutions to empower its partner agencies and better serve Utah residents.**

technologies that instill trust and support regulatory compliance.

- *Ensure an engaged workforce:* Facilitate a "Work from Anywhere" environment, and leverage technology to make it easier for employees to do their job.

This audit addresses DTS' provision of innovative, secure, and cost-effective technology services.

DTS Was Intended to Decrease Cost and Increase Efficiency

In 2005, House Bill (H.B.) 109, *Information Technology Governance Amendments*, created the Department of Technology Services. This legislation consolidated IT services and governance in the executive branch into one department. Technological advances at the time made it practical for Utah to have a more centralized technology service, with the goal of gaining new efficiencies. A two-year study that reviewed Utah's technology services and meetings with technology experts on how to best address the efficiency, budget, and personnel needs of Utah's future resulted in H.B. 109. Since 2005, DTS has experienced organizational changes and new statutory requirements. DTS is now a division under the Department of Government Operations (DGO) and oversees additional duties, such as security assessments and coordination of website standards.

DTS Is an Internal Service Fund

DTS is an Internal Service Fund (ISF), which provides goods and services to state government agencies and other governmental units. ISFs recover their costs through interagency billings. This requires the division to develop a rate schedule for the services provided to other agencies. According to *Utah Code 63A-16-301,* DTS shall, at the lowest practical cost, manage the delivery of efficient and cost-effective IT and telecommunication services. DTS shall stipulate a schedule of fees for all services provided to an executive branch entity. Establishing a rate schedule is a year-long process that incorporates several approval processes. DGO is conducting a comprehensive audit at the start of fiscal year 2023 that will include the rate and budget process. Our

audit team chose not to do an in-depth review of the rate and budget development process because of DGO's pending audit.

DTS Budget Has
Been Increasing

Although DTS uses a methodological approach for calculating its projected budget, its actual budget always has a surplus of revenue. From fiscal year 2018 to 2021, DTS has consistently received revenue over $129 million and has generated a revenue surplus each year. However, because the division is an ISF, it can retain only limited earnings. DTS provides agency rebates to address the surplus of revenue. Figure 1.1 indicates the extent of DTS' revenue surplus and the amount of agency rebates for fiscal year 2018 to 2021.

DTS actual budget has consistently receives a surplus of revenue.

Figure 1.1 DTS Consistently Receives a Surplus of Revenue.
Over the past four years, DTS provided rebates ranging from 29 to 50 percent of its revenue surplus.

Fiscal Year	Budget/ Revenue	Revenue Surplus	Agency Rebates	True Revenue Surplus
2018	$129,861,805	$4,365,690	$1,277,881	$3,087,809
2019	132,633,149	3,007,863	1,495,413	1,729,981
2020	140,818,859	3,306,797	1,614,719	2,028,916
2021	143,029,590	3,983,715	1,358,120	2,705,833

Source: Division of Technology Services

According to external audits, since 2007, DTS has been able to produce cost savings for the state.

Audit Scope and Objectives

Our office was asked by the Legislature to evaluate the efficiency and effectiveness of DTS. This report will address areas that DTS can improve to further meet its statutory mandates.

The remaining chapters of this report present pertinent risk areas and recommendations as follows:

- **Chapter II:** Addresses DTS' need to improve the services it delivers to executive branch agencies.

- **Chapter III:** Focuses on the need for DTS management to ensure that business needs of executive branch agencies are being adequately addressed.

- **Chapter IV:** Examines the need for DTS to improve oversight to ensure compliance with administrative responsibilities and statutory requirements for security standards.

Chapter II
DTS Can Improve the Efficiency and Effectiveness of Services Delivered

The Division of Technology Services (DTS) needs to improve its service delivery to ensure that state information technology (IT) resources are deployed in the best and most efficient manner. DTS currently relies on the IT directors as the single point of contact for priorities such as customer service, information sharing, and strategic planning. Since IT directors are so critical to operations, DTS needs to improve how it is using this position.

We are further concerned about DTS' customer service, because two primary vehicles the division uses to deploy and measure customer service need significant attention. More specifically, DTS has allowed service level agreements (SLAs) to lapse. We are also concerned that DTS is not receiving the most useful feedback possible because the division prefills its customer survey responses to reflect the highest level of satisfaction. To improve operations, DTS needs to:

- Improve strategic partnerships with state agencies.

- Develop policies and procedures for communicating to agencies regarding enterprise initiatives and solutions.

- Ensure that SLAs with state agencies are current and articulate appropriate service to agencies.

- Revisit customer service surveys to ensure they are providing accurate and reliable information.

Implementing these findings will help DTS increase its strategic partnerships and services with state agencies, as well as provide accurate feedback on its performance.

DTS needs to improve its strategic partnerships and communication with state agencies.

Improved Strategic Planning and Communication with State Agencies Will Enhance Partnerships

DTS needs to improve its strategic partnerships and communications with state agencies. Agencies note a lack of collaboration with DTS concerning IT strategic plans. Some agencies

said they do their own IT strategic plan without assistance from their IT director. Agencies want DTS to come to them with IT recommendations instead of choices, for their IT issues. In addition, agencies expressed that DTS' lack of communication about IT changes or solutions has a negative impact. DTS is statutorily charged with coordinating executive branch strategic plans for all state agencies. However, such coordination is lacking. For example:

- Agencies want DTS to be more proactive in helping with their IT strategic plans. State agencies want DTS to proactively provide solutions that will allow agencies to accomplish their business goals.

- DTS needs to improve communication with state agencies about strategic initiatives and software rollouts. Agencies believe that DTS does not understand or consider the impact that DTS initiatives have on their agency.

These areas for improvement are further discussed in the sections below.

DTS Needs to Develop Strategic, Proactive Partnerships with Agencies

According to *Utah Code 63A-16-104(2),* DTS is to coordinate an executive branch strategic plan for all agencies. Improving the strategic partnership between DTS and state agencies will enable those agencies to accomplish their business goals. DTS management has designated IT directors to be the main contact with state agencies. In this regard, IT directors are the de facto chief information officer for the agencies they serve. IT directors are to develop and coordinate the agency's IT goals, IT vision, and IT expectations as well as many other duties. IT directors are a major link between the agency and DTS.

As part of our audit process, we conducted a survey of agency executive teams. This survey showed that twenty individuals in ten different agencies—representing 53 percent of the agencies we surveyed—do not agree that DTS fosters a strategic partnership with their agency to provide value and solutions that meet their agency's needs. As a follow-up to our survey, we interviewed those twenty individuals to gain more insight. Some common themes are captured in the following quotes:

Click or Scan for Executive Agency Survey Dashboard

Twenty individuals in ten different agencies (representing 53 percent of the agencies we surveyed) do not agree that DTS fosters a strategic partnership.

- IT directors need to be more proactive with their agency's strategic IT Plan and more forward thinking.

- IT directors need to provide innovative ideas to their agency. Solutions for IT issues are coming from the agency and not from the IT director(s).

- There is no collaboration between agencies and IT director(s).

- Some IT directors have not met with agencies and asked about their business plans or how to offer assistance.

- There are no discussions on strategic planning or expert advice, which would benefit both parties.

Based on our interviews, agencies want DTS to be proactive and assist with their IT strategic planning. Agencies also want their IT directors to provide solutions and collaboratively create an IT roadmap for the future. Our survey results show that 56 percent of agency executives do not agree that DTS' services are innovative. Survey responses include the following:

- DTS needs to bring more innovation discussions on the available tools and services.

- Our biggest pain point is the time and resources our office dedicates to researching a solution to a problem.

- DTS does not innovate. My experience working with DTS is agencies primarily find IT solutions and DTS facilitates those solutions.

- There is hardly any innovation.

DTS needs to be proactive in addressing agencies IT needs and develop strategic partnerships that will help agencies accomplish their goals. DTS needs to be proactive and bring expert IT solutions to solve agency needs, which will help agencies become more efficient. In addition, having DTS provide IT solutions to the agencies will allow the agencies to focus on the services they provide to the public.

Agencies want their IT directors to be proactive and come to them with IT solutions.

Agencies want their IT directors to help them plan out their IT strategic plans 3 to 5 years into the future.

The Division Needs to Improve Communications with State Agencies

DTS needs to improve communication with state agencies regarding enterprise initiatives and strategic rollouts. Agencies stated DTS does not clearly explain the implementation and impact of enterprise initiatives. Our survey to agency executive teams showed the following results:

- More than half (55 percent) do not agree that DTS clearly communicates its enterprise initiatives.

- Similarly, 58 percent do not agree that DTS clearly explains the impact of enterprise initiatives on their agency's business.

We conducted subsequent interviews with survey respondents to gain more insight into their concerns. Several common themes from those interviews are captured with the following responses:

- DTS decides on a product without agency input, then makes all the agencies use it without consideration to the impact, such as agencies budgets.

- DTS advertises free enterprise solutions that agencies implement and then learn there is an eventual cost.

- DTS needs to consider the agency's needs or concerns when it requires agencies to use its solutions.

- DTS needs to provide services that agencies want. Currently, DTS thinks they know what is best for the agencies and makes changes without their input.

- Agencies do not believe that DTS upper management understands the decisions they make and how it affects the agencies.

Agencies also want to know *why* DTS implements an enterprise solution and the *impact* of that solution on their business. Agencies want to provide input before a solution is decided. For example:

- IT directors sent out an email in April 2022 alerting agencies that if they have old versions of Microsoft Office, they will have to immediately update to Office 365. DTS did this without sufficient communications with the agencies and without articulating how the updates will affect agencies' budgets. We were told by some agencies that it would be difficult to upgrade since they were unable to budget for this expense.

- DTS offers enterprise software solutions to agencies at no charge without disclosing that the agency will eventually need to purchase the licenses. For example, DTS offered Lucid Charts to agencies at no cost because the Governor's Office paid for the first year of the licenses, but this was not adequately communicated. One agency explained that it converted its charts using Lucid Charts, believing it was a free software, but later learned that the agency needed to pay for the license. The agency used Lucid Charts for more than a year before being charged for the license. The agency noted that if it knew there would be a cost for Lucid Charts, it would not have switched to that software.

Although few enterprise solutions involve all agencies, the examples above illustrate the need for improved communications.

**Other States Provide Examples Of
Good IT Communication Structures**

DTS' current method of disseminating all information to state agencies is through its IT directors. Other states use a range of methods for communicating between the state IT agency and the agencies they serve, as summarized in Figure 2.1.

DTS needs to improve its communications with state agencies concerning its enterprise initiatives and solutions.

Figure 2.1 DTS' Only Method for Communicating with State Agencies Is Through Its IT Directors. DTS needs to provide additional avenues of communication to the agencies. The following states have been identified as having good IT practices and use multiple methods to communicate with their respective agencies.

ARIZONA

- Engagement managers
- Communication team
- Salesforce to track stages of communication
- Monthly meetings with CIOs and IT managers

GEORGIA

- Monthly agency management council meetings
- Assigned relationship managers
- Weekly change advisory board
- Monthly information security officer meeting
- Quarterly specific topic meetings (i.e. asset management practices)

MINNESOTA

- GovDelivery notifications
- Regular update emails
- Quarterly town hall meetings
- Software center – provides software offerings and updates

MISSOURI

- Statewide emails for security changes/updates
- Business relationship managers
- Application development managers
- Monthly cabinet IT governance council meetings

Source: Legislative Auditors

> **DTS needs to create additional avenues of communication with state agencies besides relying solely on its IT directors.**

Arizona, Georgia, Minnesota, and Missouri[1] use various methods of communicating with their agencies. DTS needs to create additional avenues of communication with agencies beyond relying on its IT directors. DTS needs to communicate with state agencies so that they feel included in the IT solutions that affect them. By communicating

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[1] The 2020 Digital States Survey listed these states as having good IT technology practices among other states. States were rated with an A or A- score.

and providing more information to the agencies, DTS will be able to build better partnerships and create buy-in from state agencies. This will help DTS receive useful agency feedback and increase agency support for their initiatives. Enhancing communication from DTS will also reduce disruption to agency operations because agencies will be involved early in the process.

DTS Has Inadequate Administration of Customer Service Agreements and Surveys

DTS is responsible for providing adequate customer service for agencies' IT needs. However, because DTS is not ensuring acceptable customer service, agencies may not receive appropriate IT services to successfully address their business needs. For example, SLAs are contracts between DTS and a state agency to ensure the agency's service needs are met. DTS is not ensuring SLAs are signed and dated annually to confirm what services the agencies can expect from the division. Furthermore, another avenue of gauging customer service is the help desk surveys randomly distributed after an incident ticket is closed. DTS does not receive accurate customer service feedback because the surveys are prefilled with the highest rating.

Service Level Agreements Should Be Annually Reviewed to Meet Agencies Expectations

DTS is required by statute to develop and maintain SLAs with state agencies. Maintaining SLAs ensures that both DTS and the state agency agree on the expectations of services the agencies will receive. We found multiple SLAs that were not signed and/or dated annually. In addition, we documented two SLAs with no signature or dates. DTS needs to ensure that SLAs are signed and dated annually to confirm that the agreements are current and accurate.

We documented several SLAs that were not signed and dated by the agencies' current executive director or chief information officer.

SLAs are to be reviewed each year by DTS and the agency. If there is no change to the agreement, then it stays in effect. One primary reason SLAs need to be signed and dated annually is that agency or DTS personnel may change from year to year. For example, we identified one SLA that was outdated by a couple of years and not signed by DTS or the current director of the agency. Significantly, this large agency scored DTS' overall service a 12 out of 100 on our survey. This example demonstrates the need for SLAs to be signed and

dated each year to ensure that services are reviewed and agreed upon by the current director of DTS and the state agency.

Help Desk Customer Service Surveys Do Not Provide Accurate Feedback

DTS prefills its customer service survey responses to reflect the highest scores before distributing the surveys to customers. Prefilling surveys may lead to biased and skewed results, promoting an inaccurate representation of performance. DTS sends customer feedback surveys randomly to state employees after their IT issues are resolved by the help desk. The survey responses are intended to provide customer satisfaction feedback to DTS on incident resolutions. In our audit process, DTS reasoned that prefilling surveys promotes ease and encourages completion of the survey. Figure 2.2 shows an example of the prefilled survey.

Figure 2.2 DTS Prefills Its Survey with the Highest Scores. DTS needs to have surveys sent out that are not pre-filled to accurately gauge customer feedback. By comparison, our independent survey of agency executive teams shows an average of 75 percent satisfaction, which is lower than results of the prefilled surveys.

Source: Division of Technology Services

DTS needs to send out customer surveys that are not preselected with the highest response to accurately determine customer feedback.

DTS reported to the 2021 Public Utilities, Energy, and Technology Interim Committee that it averaged a 4.9 out of 5 for customer satisfaction. However, due to the survey's nature, the results

may be skewed and present an inaccurately high customer service score to the Legislature. From our own survey to agency executive teams, the average satisfaction score for DTS' services was 75 out of 100. This suggests that agencies are not as satisfied with DTS as what is reported to the Legislature.

Our audit process also found that DTS contacted an individual who had provided a low score on their customer service survey, resolved the issue, and then requested the individual to rescore the survey to the highest marks. DTS should regard the follow-up score as a separate outcome to avoid diluting the initial survey results. DTS needs to ensure that its surveys do not have bias when reporting customer satisfaction.

Recommendations

1. We recommend the Division of Technology Services work with agencies in developing a strategic partnership that will enable the division to be proactive in addressing the agencies IT needs.

2. We recommend the Division of Technology Services develop policies and procedures for agency communication regarding enterprise initiatives.

3. We recommend the Division of Technology Services sign and date service level agreements each year to ensure that they are annually reviewed, updated, and agreed upon regularly.

4. We recommend the Division of Technology Services have meaningful surveys that gauge customer service and avoid bias.

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Chapter III
DTS Management Needs to Ensure That Agencies' Business Needs Are Addressed

The Division of Technology Services' (DTS) pillar is to provide value and technology solutions to meet agency business needs. Not meeting agencies' needs may result in inadequate information technology (IT) solutions and poor customer service. To improve delivery of service, DTS needs to:

- Ensure that performance metrics are reviewed and appropriately adjusted so that division goals can be used as a tool for improving services.

- Meet its performance metrics agreed upon in service level agreements (SLAs) with the division and ensure analysis of procurement and deployment data. Proper analysis of data across multiple years will help the division better understand the trends of its service delivery.

- In addition, the Legislature should consider clarifying the statute on whether DTS is required to own all technology contracts. Agencies have experienced difficulties with technology contracts because they do not have the authority to ensure vendors are paid on time or to withhold payment for services not completed.

DTS will better meet agencies' business needs and provide more appropriate IT services by addressing these findings.

The Division Should Review Its Performance Metrics

DTS has performance metrics for responding to and resolving IT issues, but the division does not regularly review and adjust its metrics to promote success. For example, metrics for help desk services, which directly impact agency business needs, are not routinely analyzed. Not reviewing or appropriately collecting data from services that directly impact agencies' business hinders the division from understanding its actual performance. Our concern is that, since DTS was created, the

metrics it has met or exceeded have never been revised to promote growth. Furthermore, DTS is not consistently meeting its metrics associated with critical services.
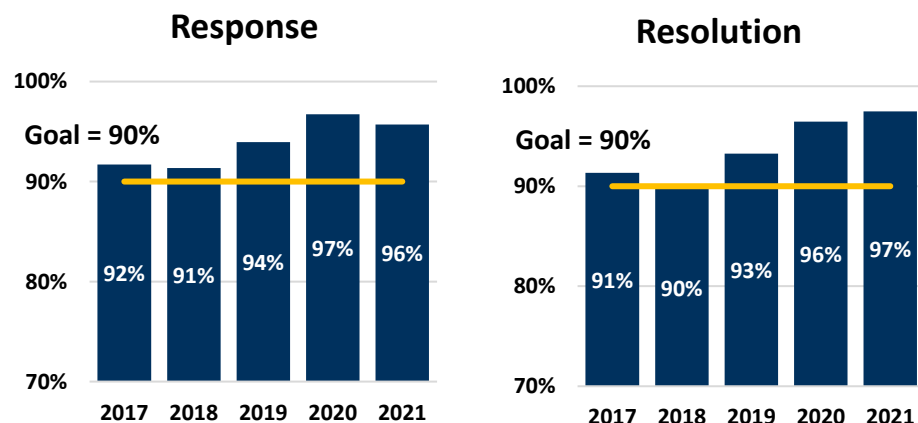
DTS Has Never Revised The Metrics it Consistently Meets

The American Society of Public Administration defines performance measurement as "a method of measuring the progress of a public program or activity in achieving the results or outcomes that clients, customers, or stakeholders expect." The degree to which a measure constantly or never meets its target is an indication of whether the measure reflects appropriate improvement goals.

For example, from fiscal year 2017 to 2021, there was only one performance observation that was not met for low-urgency, moderate-urgency, and high-urgency incidents. (See Appendix B for further detail.) Figure 3.1 highlights DTS' performance for high-urgency incidents over the past five years. It is encouraging that DTS is meeting its goals; however, the consistent achievement suggests the need for the division to review its goals and thereby improve performance.

Figure 3.1 From Fiscal Year 2017 to 2021, DTS Met or Exceeded Its Goal for Responding to and Resolving High-Urgency Incidents. DTS should review these trends and determine if the performance metrics should be recalibrated.

DTS has not revised its metrics that it consistently meets, thereby reducing the opportunity to promote growth.

Source: Division of Technology Services

Our concern is that DTS has never revised its metrics that it consistently meets, thereby reducing the opportunity to promote growth. We recommend DTS review all performance metrics and

ensure its goals are appropriate and adequately encourage service improvements.

DTS Does Not Consistently Reach Its Most Urgent Metrics for Help Desk Incidents

DTS' performance observations that did not meet the divisions' goals are primarily isolated to metrics for "critical urgency" response and resolution. Incidents are categorized as critical urgency if they have the potential to impact 80 percent or over 1,000 users. Critical- urgency incidents that did not meet the response and resolution goals is present in nearly all the last five fiscal years.

Figure 3.2 From Fiscal Year 2017 to 2021, DTS Did Not Meet the Majority of Its Metric Goals for Responding and Resolving Critical-Urgency Incidents. Eight of the ten critical urgency incident performance metric observations did not meet the goal.
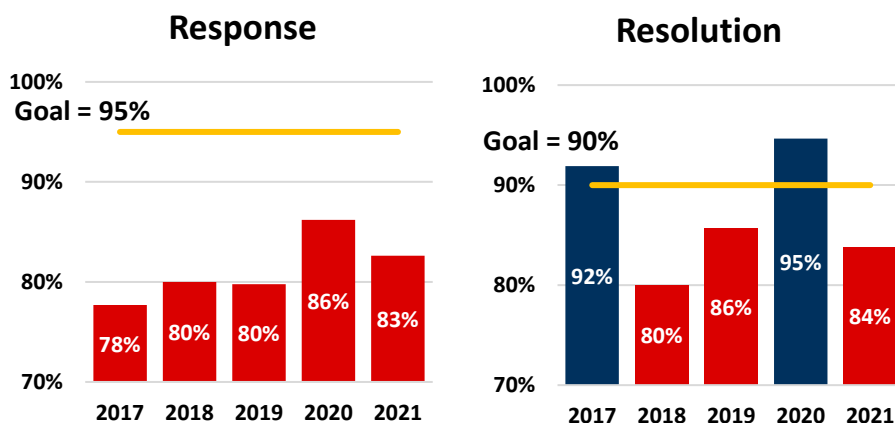
Source: Division of Technology Services

We believe there is an opportunity for DTS to review these metrics and determine solutions to increase its service to agencies. Over the past five fiscal years, critical-urgency response and resolutions make up 506 and 439 incidents respectively. While these do not represent a large percentage of the division's overall incidents, they are the most important. Therefore, we recommend that DTS ensure it strives to reach the performance metrics for critical incidents that heavily impact agencies' business.

Agencies are Consistently Not Receiving Hardware within the Agreed-Upon Timeline

The time frame for procuring and deploying hardware did not consistently meet the performance metrics agreed upon in the SLAs between DTS and the agencies. An agency's business may be negatively impacted if it does not receive its hardware on time. From fiscal year 2017 to 2021, agencies were receiving 41 percent of their hardware outside the accepted time frame. Our 2014 report, *A Performance Audit of Concerns Regarding DTS' Rates, Customer Service, and Staffing*, also discussed the lengthy time for hardware deployment, indicating that this has been a concern over multiple years.

DTS Has Not Accurately Tracked or Reviewed the Data on Procurement and Deployment

Over the previous five fiscal years, DTS has not accurately tracked or reviewed its data on procurement and deployment. The procurement and deployment data included a total of 25,763 records. Of these, approximately 10,022 records included all requirements that allowed for analysis. Some data had inconsistent date and time stamps for each stage of the process, which did not allow for measuring the number of days to deploy the hardware. This made it impossible to accurately compare those hardware items to a performance metric. We recommend that DTS ensure accurate tracking of procurement and deployment to meet the established performance metrics and, in turn, meet the business needs of state agencies.

Recently, DTS has established both a new team for preparing hardware to be deployed and new performance metrics. These efforts to change the procurement and deployment process may result in greater success. Still, DTS should more accurately track each stage of the procurement and deployment process and review the data over multiple years to analyze performance trends.

DTS is Not Meeting Performance Targets for Hardware Procurement and Deployment

DTS is not meeting its performance metrics for procurement and deployment, with the deployment stage taking the longest to complete. Figure 3.3 shows the average days to complete each step of the procurement and deployment process, categorized by high- and

moderate-priority hardware. The priority classifications DTS uses for hardware deployment are as follows:

- High priority – hardware items for a new employee, purchased in a quantity of one to five items.

- Moderate priority – hardware for new employees, purchased in a quantity of six to thirty items or replacement hardware purchased in a quantity of one to thirty items.

- Low priority – hardware for new employees, purchased in a quantity of thirty or more items, replacement hardware purchased in a quantity of thirty or more items, or a nonstandard item that is not present in DTS' catalog.

High-priority hardware items are consistently not deployed within DTS' goal of thirteen days. The metric for moderate-priority replacement items, which accounted for most of the records, was somewhat successful. This metric shows that performance goals for replacement items were met in two of the five fiscal years and were nearly met in the other years. The low-priority items (not shown in Figure 3.3) had a goal of deploying hardware in sixty-three days or less, which was not met 71 percent of the incidents in fiscal year 2017 to 2021. Across all performance metrics, the process that took the most amount of time was the deployment stage. This stage was completed by the Desktop Services Team.

High-priority hardware items consistently did not meet its performance metrics for fiscal year 2017 to 2021, with the deployment stage taking the longest time to complete.

Figure 3.3 DTS is Inconsistent in Meeting Its Metrics for the Average Days for Procuring to Deploying Hardware. This figure shows DTS struggles to meet the performance metrics for procuring and deploying hardware to agencies on time.

High-Priority Hardware

931 Records

Legend: ■ Approved ■ Ordered ■ Received ■ Delivered ■ Deployed

Year	Approved	Ordered	Received	Delivered	Deployed
2017	1	1	5	6	21
2018	1	1	5	6	14
2019	1	1	8	8	15
2020	1	1	7	4	15
2021	1	2	7	2	10

Goal Below 13 Total Days

Moderate-Priority Hardware

New Employee Item

146 Records

Legend: ■ Approved ■ Ordered ■ Received ■ Delivered ■ Deployed

Year	Approved	Ordered	Received	Delivered	Deployed
2017	1	7	7		77
2018	2	2	4	6	11
2019	6	1	6	12	65
2020	1	17	2	13	
2021	1	8	40		52

Goal Below 38 Total Days

Replacement Item

7,493 Records

Legend: ■ Approved ■ Ordered ■ Received ■ Delivered ■ Deployed

Year	Approved	Ordered	Received	Delivered	Deployed
2017	1	1	6	7	28
2018	1	2	6	6	17
2019	1	2	10	8	21
2020	1	1	9	6	22
2021	1	2	8	2	13

Goal Below 38 Total Days

* Data in this figure represent the records not placed on hold by either the vendor, DTS, or an agency. (On-hold items do not allow for an accurate comparison of the priorities.)
Source: Division of Technology Services.

A Performance Audit of the Division of Technology Services (August 2022)

Previously, DTS did not have a team dedicated to intaking the hardware, imaging the hardware with the systems, and delivering the hardware to a specific location. Within the most recent fiscal year, DTS addressed this by creating the Provisions and Deployment team and created new performance metrics. In our audit process, we were unable to analyze whether DTS is meeting the current performance metrics. Nevertheless, we recommend the division ensure that all pertinent procurement and deployment data are appropriately tracked to allow for accurate data analysis.

Additionally, the procurement and deployment data were not analyzed over multiple years to identify performance trends. We recommend that DTS analyze the procurement and deployment data over multiple years to better ensure the division meets established metrics and can track long-term trends.

Statute Concerning Contracts
Should be Clarified

DTS owns all technology contracts but does not actively manage those contracts. This situation creates logistical difficulties, such as miscommunication about finances and agencies not receiving their desired technology solution. *Utah Code 63A-16-104* states that DTS shall serve as a general contractor between the state's IT users and private-sector providers of IT products. DTS states the principal function of contract monitoring is to track vendor performance to ensure contract fulfillment. However, the *Technology Governance Act* does not specify that DTS oversees and owns all technology contracts, rather that it should be involved in the approval of technology contracts.

DTS owns all technology contracts, but does not actively manage them, which creates logistical difficulties for state agencies.

In our audit, some agencies suggested that DTS is helpful during the procurement process of contractors but have not continually managed those contracts. Since DTS owns but does not manage contracts, agencies do not control the finances for the vendors. This means that agencies do not have leverage to ensure the vendors provide quality work and do not have direct access to finances to address cases where vendors are not paid on time. For example, one vendor had billed for services that were not completed, and the agency communicated to DTS to pay only for services rendered. However,

DTS did not contact the vendor regarding the invoice, which caused miscommunication and delays.

Currently, there are 297 contracts, totaling $415,804,838. DTS explained that agencies oversee contract management and that the only avenue for knowing vendor performance is through communication with the agency.

Based on reviews by the Attorney General of the Utah Department of Government Operations (DGO) and the Office Legislative Research and General Counsel, the legislative intent and language of *Utah Code 63A-16-104(6)* do not specify DTS must own all IT contracts. Reviews by these two entities stated that DTS is the expert that must be consulted or provide state approval for purchasing technology and services, but the division does not statutorily have administrative oversight over contracts.

DGO is currently engaged in a pilot project to consolidate IT procurement. This pilot includes migrating all new and expiring solicitations to the Division of Purchasing and General Services and evaluating when a contract needs to be owned by DTS or the agency. Therefore, we recommend that the Legislature consider reviewing *Utah Code 63A-16-104(6)* to clarify the ownership and management of technology contracts.

Recommendations

1. We recommend that the Division of Technology Services review all performance metrics and ensure its goals are appropriate and adequately encourage service improvements.

2. We recommend that the Division of Technology Services ensure it strives to reach the performance metrics for critical incidents that heavily impact agencies' business.

3. We recommend the Division of Technology Services ensure accurate tracking of procurement and deployment data to meet the established performance metrics and, in turn, meet the business needs of state agencies.

4. We recommend that the Division of Technology Services analyze the procurement and deployment data over multiple

years to better ensure the division meets established metrics and can track long-term trends.

5. We recommend that the Legislature consider reviewing *Utah Code 63A-16-104(6)* to clarify the ownership and management of technology contracts.

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Chapter IV
DTS Can Improve Its Oversight and Compliance with Requirements

The Division of Technology Services (DTS) has not provided the oversight necessary, nor does it have adequate policies and procedures in place, to fulfill its statutorily required duties. These deficiencies have hindered DTS' ability to measure and fulfill its responsibilities regarding customer service and to maintain efficient, secure operations. These deficiencies also run counter to the intent of centralizing technology services for state agencies. To improve its operations, DTS needs to:

- Improve oversight of IT projects and bolster enterprise IT project management systems to ensure projects are timely and on budget.

- Comply with *Administrative Rule* to ensure that DTS employees are receiving employee evaluations. By failing to adequately evaluate employees—Specifically IT directors—the division is missing an opportunity to address and correct the level of service delivery to state agencies. For example, our survey of agency executive teams found that 58 percent of respondents did not agree that DTS clearly communicates its enterprise initiatives. Fostering strategic partnerships and maintaining clear communications are primary duties of IT directors, yet DTS is not annually evaluating these employees.

- Ensure that IT security assessments are being completed by a third party, in accordance with *Utah Code*. The purpose of the assessments is to ensure that state agencies are meeting security standards for their IT systems and that sensitive data are protected.

- Accurately report cost savings to show success in implementing efficiencies in DTS operations.

By implementing these findings, DTS will be able to provide better services to state agencies and become a more efficient steward of state funds.

Oversight of IT Projects Needs to Improve to Create Greater Efficiencies

DTS can increase its oversight of IT projects to improve the efficiency and effectiveness of operations. For example:

- DTS needs to create policies and procedures for implementing and consistently using IT scorecards to ensure the division is fulfilling its statutory charge of developing systems and methodologies to review, evaluate, and prioritize existing IT projects within the executive branch.

- DTS lacks an enterprise management system to keep track of the status of all IT projects. Per statute, DTS is charged with ensuring cost-effective and efficient information systems. DTS is currently not complying with the intent of statute, as evidence by having nineteen different software solutions to track the status of its IT projects. Such inefficiency hinders DTS' ability to maintain centralized oversight.

- To help DTS improve efficiency in the request for proposal (RFP) process, the division had outside consultants provide training on a project management tool. The tool was intended to reduce the time for deciding on an IT project solution. However, we found that DTS has been using this process insufficiently and inconsistently.

These areas for improvement are further discussed below.

Policies and Procedures are Needed to Enable IT Project Scorecards to be Used Consistently

DTS needs to create policies and procedures for evaluating IT projects scorecards. Scorecards provide DTS feedback on the overall management of IT projects, but we found that they are not being used consistently. The feedback from the scorecards will enable DTS to improve its IT project management.

Although the current scorecard can function as a performance metric, the current scorecard is not consistently used for reviewing IT projects. Based on current practice, the agency is to answer the

DTS needs to create policies and procedures for using IT scorecards to improve its oversight over project management.

scorecard questions after the IT project is completed. However, we found that some agencies filled out the scorecard before the specific project was completed. Furthermore, on some projects that received a low score, DTS did not follow up with the agency to review the scorecard. According to the *Legislative Auditor's Best Practices Guidebook*:

> Using collected data to measure how well the program is achieving its goals and objectives is the central best practice in the evaluation stage of the management control cycle. Remember that your data must be relevant, sufficient, and reliable.

DTS can more accurately gauge its efficiency and effectiveness, by measuring how well projects are achieving their goals and objectives. Using and reviewing the scorecards consistently would help DTS enhance decision-making and effective resource allocation for future IT projects.

Enterprise IT Project Management System Needed to Help DTS Be More Efficient

Currently, DTS lacks an enterprise project management system to track IT projects. Because there is not a centralized tracking system, the division must contact IT directors directly to determine the status of IT projects. Our audit found that IT directors use nineteen different software packages and other means, such as email, to track the status and progress of its IT projects. In this regard, DTS is not complying with the intent of statute, which call for the division to reduce data, hardware, and software redundancy.

DTS could not provide the audit team with data to review and determine if IT projects are being completed on time because the IT directors use so many different project tracking systems. We found that other states such as Minnesota, Colorado, Arizona, Idaho, and Indiana[2] use one enterprise IT project management system for tracking their projects. We therefore recommend that DTS implement an enterprise IT project management system to track all IT projects.

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[2] The 2020 Digital States Survey listed these states as having good IT technology practices among other states. States were rated with a score of B+ or higher.

**Use of the Engagement Model Would
Help Improve the RFP Process**

DTS is charged with developing systems and methodologies for IT projects. One method that helps DTS develop systems is the use of the "engagement model." The engagement model is a comprehensive process that results in an appropriate technology solution to fit the agencies' business needs. The purpose of the engagement model is to reduce the time required for the RFP process. Consultants were paid $574,000 by DTS to recommend the engagement model and to train the division on how to use it. The consultants found that DTS' current business cases were resulting in a disconnect with the agency's business needs. Since August 2018, DTS has used the engagement model on only 38 out of 219 projects. From an auditor's perspective, DTS should be using the engagement model consistently for IT projects in efforts to improve operations.

Performance of DTS Employees Not Being Evaluated in Accordance with Rule

To improve operations and service delivery to state agencies, DTS needs to ensure that all employees receive an annual performance review, as required by *Administrative Rule*. DTS is not performing employee evaluations for the majority of its IT directors and other DTS employees. This omission hinders the division's ability to improve performance and service delivery.

**Performance Evaluations of IT Directors
Are Needed to Help Ensure Improved Services**

IT directors serve as a conduit between state agencies and DTS. As part of this audit, our team wanted to review the employee evaluations of IT directors to determine the quality of their performance. However, we were unable to review the performance evaluations of the IT directors because the previous chief information officer chose not to do their performance reviews. Overall, we found that nine out of the eleven IT directors have not received their annual performance

evaluations, and one[3] had not received the opportunity for an evaluation. This is concerning, given the critical role IT directors play in the division.

Our survey of agency executive teams found that 58 percent of respondents did not agree that DTS clearly communicates its enterprise initiatives. Fostering strategic partnerships and maintaining clear communications is a primary duty of IT directors. The completion of routine performance evaluations for IT directors can help ensure that DTS is accomplishing its statutory responsibilities.

Employee Evaluations are Needed to Determine That Individual Performance Standards are Being Met

DTS needs to ensure employees are receiving performance evaluations annually and are meeting performance standards set by DTS. By not completing the evaluations, DTS cannot sufficiently identify and improve underperforming employees or inadequate services to state agencies. Figure 4.1 shows the percentage of employee evaluations that DTS completed for fiscal years 2017 to 2021.

DTS needs to comply with *Administrative Rules* and ensure all employees receive an annual evaluation.

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[3] This employee started as an IT director in 2021.

Figure 4.1 DTS is Not Performing Employee Evaluations as Required in *Administrative Rule*. DTS needs to comply with *Administrative Rule* and ensure that all employees receive an annual employee evaluation.

Fiscal Year	Percent
2017	46%
2018	43
2019	36
2020	36
2021	40

Source: Division of Human Resource Management

DTS needs to comply with *Administrative Rule* to ensure that all employees receive an annual performance evaluation to help improve overall operations for the entire division.

Implementation of Security Standards Needs to Be Improved to Ensure IT Systems are Protected

DTS is required by statute to evaluate the adequacy of the division's and the executive branch agencies' data and information technology (IT) system security standards through an independent third-party assessment. This evaluation, which is mandated to be performed at least once every odd-numbered year, is not happening. The purpose of the assessments is to ensure that agencies are meeting security standards for their IT systems and that sensitive data are protected.

DTS Security Assessments Consists Of Samples and Lack Overall Evaluations

DTS needs to ensure all agencies' IT standards are evaluated.

The security assessment used by DTS was created by the Department of Homeland Security (DHS) and by Carnegie Melon University. A DHS employee evaluates five agencies, and DTS employees will oversee the rest of the agencies to ensure they complete the assessment. We found that when the DHS employee meets with the agencies, each of the agency's answers are evaluated to ensure the standards are being met. The DHS employees then issue a report with recommendations.

For state agencies that are assessed by DTS employees, each answer is not evaluated. Instead, DTS solely provide clarification that may be needed for the agencies to understand the questions. Based on these findings, we believe that the current security assessment process is not meeting legislative intent.

DTS Security Assessments Does Not Meet Legislative Intent

We asked the attorneys with the Office of Legislative Research and General Counsel to provide an interpretation of the legislative intent of *Utah Code 63A-16-104(4)*[4]. The following points summarize their response.

- The statute requires more than just a review of the data and information technology system security standards. Rather it requires an evaluation, which has a common meaning of "the making of a judgment about the amount, number, or value of something; assessment."

- The statute requires that the evaluation determine the adequacy of the data and IT system security standards.

- The statute's use of the plural possessive "agencies'" refers to all agencies of the executive branch, not just a sampling. Thus, the statute requires that the evaluation extends to the data and IT system security standards of the division and each agency of the executive branch.

- The statute requires that the division's evaluation be conducted through an independent assessment conducted by a third party.

This interpretation indicates that DTS' assessment clearly requires more than a review of the standards; it requires an evaluation to make sure that security standards are sufficient. It also requires a third-party assessment of all state agencies (i.e., not a sampling). We recommend that DTS work to ensure compliance with statute. We were told by

> The security assessment needs to be more than a review. The assessment needs to be evaluated.

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[4] See Appendix C.

DTS that the DHS employee who would perform the evaluations would need two years to evaluate all agencies. Currently, the evaluations are to be completed in one calendar year (every odd numbered year). To help facilitate compliance, we recommend the Legislature consider allowing all state agencies to be evaluated over a two-year period.

Accurately Reporting Cost Savings Is a Way DTS Can Show Efficiency

DTS is required by statute to track and evaluate cost savings of services delivered to state agencies. This is one way DTS can show that they are being efficient with taxpayer funds. DTS was not accurately reporting its costs savings. For example, in recent reports, DTS erroneously claimed cost savings that exceeded actual cost savings by almost $2 million.

DTS true costs savings was $2.2 million not $4.2 million as reported.

DTS is required to present this report on cost savings annually to the Public Utilities, Energy, and Technology Interim Committee. In 2021, DTS reported $4.2 million in cost savings. Using the National Association of State Procurement Officials (NASPO) document titled, *Benchmarking Cost Savings and Cost Avoidance* as criteria, we reviewed seven of the twenty-six expenses DTS listed in its 2021 report to determine if the expenses were actual cost savings or cost avoidance. We found that the true cost savings was $2.2 million or 53 percent of what was reported.

DTS needs to ensure its cost savings report complies with NASPO definitions and is reviewed by its auditors to ensure accuracy.

The two expenses in question are reimbursements that DTS received from the CARES ACT and the Department of Administrative Services. The first reimbursement was for expenses DTS incurred for telework equipment. The second reimbursement was for installing telework networking gear. Using NASPO criteria, these expenses are not considered cost savings or cost avoidance, because they are reimbursements. An additional concern is that the cost savings report was presented as having been audited. Upon further investigation, we found that no formal review took place regarding these reported numbers. We therefore recommend that DTS review and accurately report its cost savings in the future.

Recommendations

1. We recommend the Division of Technology Services create policies and procedures implementing scorecards for IT projects.

2. We recommend the Division of Technology Services implement an enterprise IT project management system to track all IT projects.

3. We recommend the Division of Technology Services comply with *Administrative Rule* by performing evaluations for all employees.

4. We recommend the Division of Technology Services ensure compliance with the third-party security assessments.

5. We recommend the Legislature consider revisiting *Utah Code 63A-16-104(4)* to allow the IT security assessment to be conducted over a two-year period.

6. We recommend the Division of Technology Services review and accurately report its cost savings.

Appendices

Appendix A

Recommendations

This report made the following 15 recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

Recommendation 2.1

We recommend the Division of Technology Services work with agencies in developing a strategic partnership that will enable the division to be proactive in addressing the agencies IT needs.

Recommendation 2.2

We recommend the Division of Technology Services develop policies and procedures for agency communication regarding enterprise initiatives.

Recommendation 2.3

We recommend the Division of Technology Services sign and date service level agreements each year to ensure that they are annually reviewed, updated, and agreed upon regularly.

Recommendation 2.4

We recommend the Division of Technology Services have meaningful surveys that gauge customer service and avoid bias.

Recommendation 3.1

We recommend that the Division of Technology Services review all performance metrics and ensure its goals are appropriate and adequately encourage service improvements.

Recommendation 3.2

We recommend that the Division of Technology Services ensure it strives to reach the performance metrics for critical incidents that heavily impact agencies' business.

Recommendation 3.3

We recommend the Division of Technology Services ensure accurate tracking of procurement and deployment data to meet the established performance metrics and, in turn, meet the business needs of state agencies.

Recommendation 3.4

We recommend that the Division of Technology Services analyze the procurement and deployment data over multiple years to better ensure the division meets established metrics and can track long-term trends.

Recommendation 3.5

We recommend that the Legislature consider reviewing *Utah Code 63A-16-104(6)* to clarify the ownership and management of technology contracts.

Recommendation 4.1

We recommend the Division of Technology Services create policies and procedures implementing scorecards for IT projects.

Recommendation 4.2

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Recommendation 4.4

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Recommendation 4.5

We recommend the Legislature consider revisiting *Utah Code 63A-16-104(4)* to allow the IT security assessment to be conducted over a two-year period.
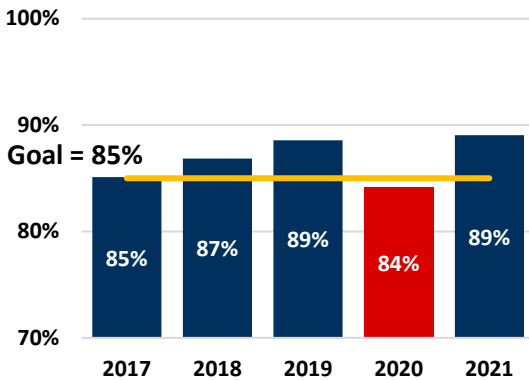
Recommendation 4.6

We recommend the Division of Technology Services review and accurately report its cost savings.
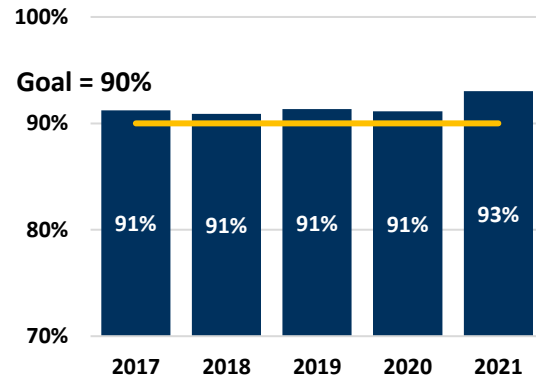
Appendix B

Performance Metric Goals for Low- to Critical-Urgency
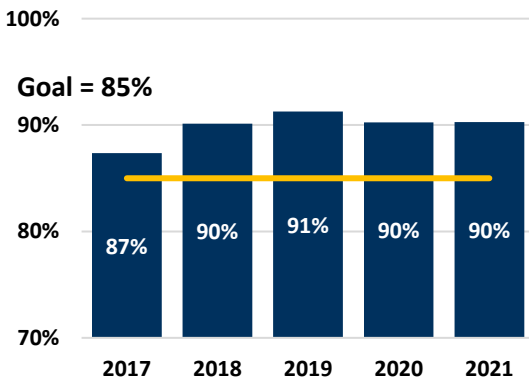# Help desk Ticket Incidents from Fiscal Year 2017 to 2021
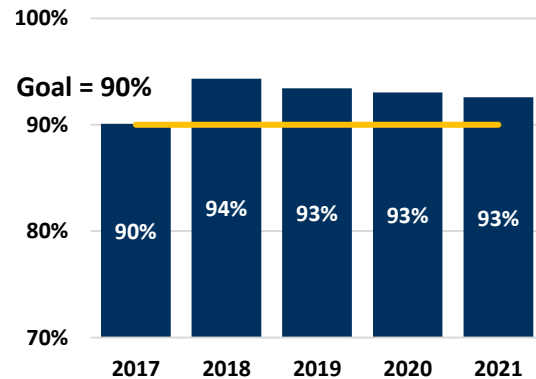
Low Urgency

Response

Resolution

Moderate Urgency

Response

Resolution

High Urgency

Response

Year	Value
2017	92%
2018	91%
2019	94%
2020	97%
2021	96%

Goal = 90%

Resolution

Year	Value
2017	91%
2018	90%
2019	93%
2020	96%
2021	97%

Goal = 90%

Critical Urgency

Response

Year	Value
2017	78%
2018	80%
2019	80%
2020	86%
2021	83%

Goal = 95%

Resolution

Year	Value
2017	92%
2018	80%
2019	86%
2020	95%
2021	84%

Goal = 90%

A Performance Audit of the Division of Technology Services (August 2022)
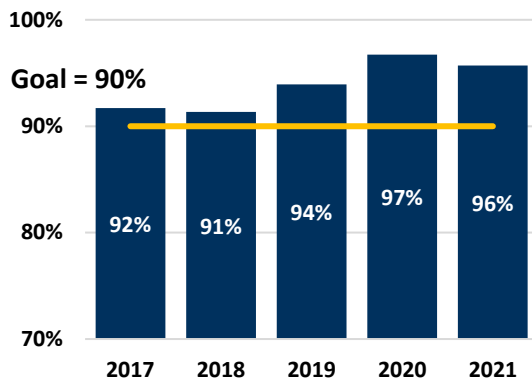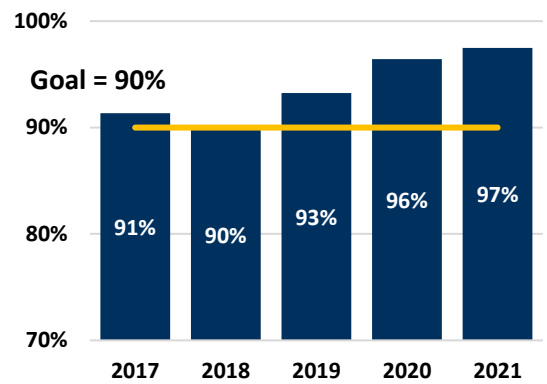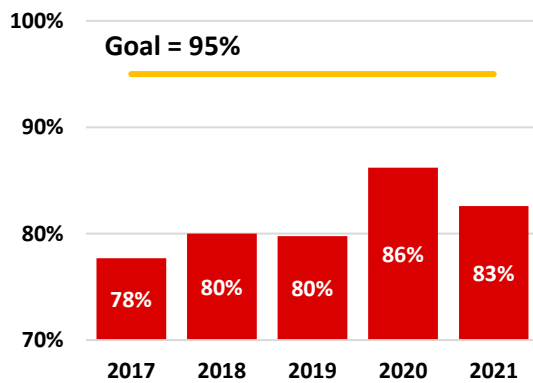
Appendix C

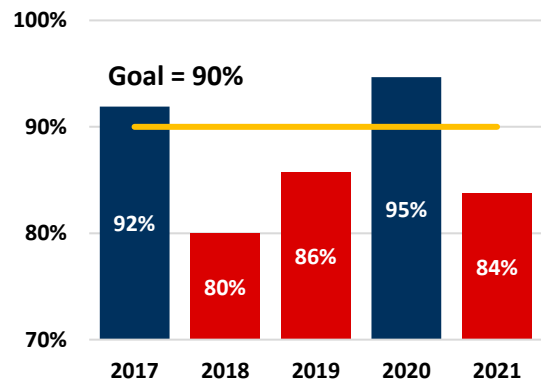# OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

John Q. Cannon, Director
John L. Fellows, General Counsel

David Gibson
Audit Supervisor
Office of the Legislative Auditor General
W315 State Capitol Complex
Salt Lake City, Utah 84114

May 13, 2022

Re: Minimum requirements of Utah Code Subsection 63A-16-104(4)

David,

Utah Code Subsection 63A-16-104(4) requires the Division of Technology Services to, at least once every odd-numbered year:

(a)   evaluate the adequacy of the division's and the executive branch agencies' data and information technology system security standards through an independent third party assessment; and

(b)   communicate the results of the independent third party assessment to the appropriate executive branch agencies and to the president of the Senate and the speaker of the House of Representatives;

The Legislative Auditor General's Office has asked for an interpretation regarding the minimum requirements this provision imposes on the division. While the statute does not provide detail regarding the method by which the evaluation is to be conducted, a reading of the plain language of the statute requires the following, at a minimum:

- The statute requires more than just a review of the data and information technology system security standards. Rather it requires an *evaluation*, which has a common meaning of "the making of a judgment about the amount, number, or value of something; assessment." (Oxford Languages, Oxford University Press, 12 May 2022).
- The statute requires that the evaluation determine the *adequacy* of the data and information technology system security standards.
- The statute's use of the plural possessive *agencies'* refers to all agencies of the executive branch, not just a sampling. Thus the statute requires that the evaluation extends to the data and information technology system security standards of the division and each agency of the executive branch.
- The statute requires that the division's evaluation be conducted through an independent assessment conducted by a third party.
- The statute requires the division to communicate the results of the independent third party assessment to the appropriate executive branch agencies and to the president of the Senate and the speaker of the House of Representatives.
- The statute requires the evaluation, and communication of the results of the assessment, at least once every odd-numbered year.

Failure to comply with each of the minimum requirements described above constitutes a failure to fully comply with the statutory requirements of Utah Code Subsection 63A-16-104(4).

Thomas R. Vaughn
Managing Associate General Counsel

Agency Response

Department of Government Operations
Executive Director's Office

State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

JENNEY REES
Executive Director

CHRISTOPHER HUGHES
Deputy Director

MARILEE P. RICHINS
Deputy Director

August 2, 2022

Kade R. Minchey CIA, CFE
Auditor General
Office of the Legislative Auditor General
P.O Box 145315
Salt Lake City, UT 84114-5315

Dear Mr. Minchey,

Thank you for the opportunity to respond to the recommendations in *A Performance Audit of the Division of Technology Services* (Report 2022-06). We appreciate the professionalism of you and your staff during this review and for the guidance and recommendations you have provided for improvement. We believe our combined efforts will result in improvements that will benefit the agencies we serve.

We concur with all recommendations in this report and have provided a summary of our actions and timelines to implement the recommendations. The Division of Technology Services/Department of Government Operations is committed to efficiency, transparency, and quality customer service. We value the insight this audit has provided and look forward to implementing solutions for improvement.

Sincerely,

Jenney Rees
Executive Director

Recommendation 2.1
We recommend the Division of Technology Services work with agencies in developing a strategic partnership that will enable them to be proactive in addressing the agencies IT needs.

Division Response: The Division concurs.

What: DTS will work with agencies to make sure this is part of the IT Governance in every agency. The DTS senior leadership team and IT Directors will work with agencies to develop a strategic partnership and to be more proactive in addressing agency IT needs. Regular meetings will be held to align the technology plans with the strategic direction for each agency.

How: IT Directors will be trained on defining and creating strategic plans. DTS will also work with IT Directors to determine business processes that may need a new, innovative solution. This will be an ongoing discussion and not just annually.

In addition to agency-specific strategic plans, DTS is creating an Application Architecture Review Process to evaluate technical solutions for innovation and architecture structure. This will be used to ensure DTS is not utilizing outdated technology that creates technical debt.

When: IT Directors will start meeting with agency leaders this year to develop project plans. These plans will go through the Application Architecture Review Process starting in August 2023.

Recommendation 2.2
We recommend the Division of Technology Services develop policies and procedures for agency communication when launching enterprise initiatives.

Division Response: The Division concurs.

What: DTS is working on becoming a planning organization using the Scaled Agile Framework (SAFe) methodology. This methodology is a collection of best practices for large development organizations that is in use in many technology companies. Part of this methodology includes regular planning sessions where new enterprise initiatives will be discussed and communicated. This will include an active and disciplined discussion of dependencies and risks between various groups. This methodology will better align all agency and DTS activities and put them in achievable timeframes.

How: Quarterly plans will be developed and shared so agencies are aware of what is being worked on each quarter. Timelines will be developed for all work, including agency-specific projects. Schedules, communication plans, change management

functions, and an impact analysis will be provided to the agencies. If any changes are the result of an urgent need, these will be communicated as soon as possible instead of waiting for the quarterly review.

When: Training will be provided on the SAFe methodology by an external consulting partner beginning in August 2022. In preparation of the roll-out, DTS will collect all project information and start defining the quarterly plans. Additionally, communication templates and checklists for future enterprise initiatives are currently under development.

Recommendation 2.3
We recommend the Division of Technology Services sign and date Service Level Agreements each year to ensure that they are annually reviewed.

Division Response: The Division concurs.

What: The Department of Government Operations (DGO) was formed during the 2021 General Legislative Session when the Department of Administrative Services, the Department of Human Resource Management, and the Department of Technology Services were combined into one organization. This created an opportunity to consolidate all SLAs from the nine divisions into one SLA that includes all products and services provided by DGO.

How: Starting this fiscal year, DGO has combined all of the division SLAs into one document that will be signed by the Executive Director of DGO and the Executive Director of the customer agency. This will ensure that the DTS Service Level Agreement is reviewed, signed, and dated each year. Additionally, DGO will be updating SLAs in FY24 to be more specific to each agency. This will include rate information specific to the agency, information on who DGO should be contacting for various communication needs, and detailing by division the agency's responsibilities versus DGO's responsibilities.

When: The consolidation of DGO SLAs is complete, and an updated department-wide SLA template will be completed in FY2024. All SLAs will be reviewed and signed by each agency in 2022.

Recommendation 2.4
We recommend the Division of Technology Services have meaningful surveys that gauge customer service without biases.

Division Response: The Division concurs.

What: DTS will no longer have survey responses default to the highest rating. DTS will also assess the survey question verbiage to ensure we are collecting feedback that

provides necessary insight into the customer service experience. DTS will also address any situations where a user is asked to provide specific ratings or feedback and will eliminate the possibility of results being altered after being submitted.

How: DTS has set the ServiceNow survey response default rating to a blank value with a requirement to select one of the ratings. DTS management will verify survey results throughout the month of August 2022 to ensure it is working as expected. DTS will review survey question verbiage with the agencies through the IT Directors to ensure they are geared towards collecting feedback to improve service. DTS will ensure that ServiceNow prevents ratings and/or responses from being altered after the submission in order to preserve accuracy in customer support metrics. DTS will provide training and education to staff to refrain from asking for any specific ratings or answers in the surveys, as this can skew metrics. DTS will also filter the survey data to report on metrics from the various groups within DTS, which will help pinpoint any areas not trending in the right direction.

When: The default rating was changed to a null value (blank) on July 20, 2022 and DTS will continue to verify everything is working correctly before the end of August 2022. The updated survey question verbiage and DTS support staff training and education effort will be completed by the end of the 2022 calendar year.

Recommendation 3.1
We recommend the Division of Technology Services review all performance metrics and ensure its goals are appropriate and adequately encourage service improvements.

Division Response: The Division concurs.

What: DTS is in the process of reviewing all performance metrics across the division to ensure goals are appropriate and encourage service improvements. DTS is also creating a dashboard with metrics that align to the strategic plan and agency goals.

How: DTS will review all metrics to make sure goals are appropriate and encourage improvements. Performance metrics will be reviewed annually and will be adjusted to encourage service improvements.

When: The target completion date is September 2022, with ongoing reviews annually.

Recommendation 3.2
We recommend the Division of Technology Services ensure it strives to reach the performance metrics for critical incidents that heavily impact agencies' business.

Division Response: The Division concurs.

What: DTS recognizes that it is not always meeting these critical incident metrics and will analyze the response and resolution protocols to develop a plan to improve service in these areas. DTS will also create dashboards that report these metrics by area of responsibility. These efforts will allow DTS to identify and correct deficiencies in the specific group(s) within DTS.

How: DTS will meet internally and walk through the critical incident response and resolution protocols, identify areas for improvement, and implement plans to improve service so as to meet performance metrics. DTS will also create metric dashboards to measure and report on the various types of incidents.

When: Protocols will be analyzed and altered by the end of the 2022 calendar year, with the dashboards to be started in September 2022 and completed by February 2023.

Recommendation 3.3
We recommend the Division of Technology Services ensure the procurement and deployment data is appropriately tracked to allow for accurate data analysis.

Division Response: The Division concurs.

What: In an effort to ensure that state agencies receive computers in a timely manner, DTS has created a taskforce to look at ways to improve delivery times and improve the scanning of hardware throughout the process. As part of the task force initiatives, the hardware tracker scanning process is being updated and the reporting dashboard was migrated from Cognos to Domo with additional data fidelity improvements. These changes will allow DTS to appropriately track the multiple touch points and tasks for computer procurement through deployment to allow for accurate data analysis. DTS will track data on the procurement and deployment of computers by refining input data and by separating metrics by the various procurement workflows. DTS will also track each stage of the procurement and deployment process.

How: A report dashboard in Domo has been completed and DTS is finishing the process of validation and refinement. DTS will set up monthly meetings to review data to ensure metrics are evaluated and processes adjusted as necessary in order to meet customer demand. DTS is also researching the procurement of more scanners to ensure all DTS Desktop Support staff have immediate access to equipment needed to follow this updated process, and is working with the asset tracking software vendor on addressing some small outstanding data collection issues.

When: To be completed by the end of the 2022 calendar year.

Recommendation 3.4
We recommend the Division of Technology Services analyze the procurement and
deployment data over multiple years to better ensure the division meets the metrics and
understands long-term trends.

Division Response: The Division concurs.

What: DTS will update the reporting measures to track computer procurement and
deployment timeliness by adding yearly trend data to the new Domo dashboards. DTS
will analyze procurement and deployment data over multiple years to ensure the division
is meeting metrics.

How: DTS will alter the procurement and deployment Domo dashboard to track data for
multiple years, and will incorporate a review of this data into monthly senior level
meetings. This group will ensure trends and metrics are evaluated and processes adjusted
as necessary. DTS will also provide training and required tools to DTS support staff to
improve those tasks that lead to improved procurement and deployment metrics.

When: To be completed by the end of the 2022 calendar year.

Recommendation 3.5
We recommend the Legislature consider reviewing the statutory language of 63A-16-
104(6) to make clear the ownership and management of technology contracts.

Division Response: The Division concurs.

What: As noted in the audit, DGO has been engaged in a project to evaluate which
technology contracts should be owned by DTS and which should be owned by the
agency. The initial recommendation has been recently completed and guidelines have
been published to agencies. The Division of Purchasing has been reviewing the
guidelines with each agency when a new solicitation occurs. DGO will monitor how
things are progressing with this pilot and make changes as needed. DGO agrees with the
recommendation that the statutory language be updated to remove any ambiguity on who
should own and manage technology contracts. DGO is happy to help with this effort.

How: Guidelines have been provided to agencies and will be modified as needed as the
pilot progresses and DGO receives feedback from agencies.

When: DGO recommends statutory language be suggested for the 2023 legislative
session.

Recommendation 4.1
We recommend the Division of Technology Services create policies and procedures implementing IT scorecards for IT projects.

Division Response: The Division concurs.

What: DTS will be more consistent in ensuring that scorecards are completed for all IT projects. DTS will respond to the feedback given by agencies on the scorecards.

How: IT project plans will be developed with agencies as part of the Scaled Agile Framework (SAFe) methodology rollout mentioned above. The DTS Project Management team will be tasked with tracking scorecard completion and follow up for each project as part of the ongoing process. IT project scorecards will be completed for every IT project at the completion of the project.

When: Scorecards will be developed and implemented in FY2023 as part of the SAFe methodology rollout.

Recommendation 4.2
We recommend the Division of Technology Services implement an enterprise IT project management system to track all IT projects.

Division Response: The Division concurs.

What: The division will standardize its project management processes and select a project management system to use to track all IT projects, and all IT Directors will use this system.

How: DTS will select an enterprise project management system with specific applications and tools by October 1, 2022 and will transition all project plans over to the enterprise system in FY2023. All IT Directors will use the enterprise system for project tracking. The Scaled Agile Framework (SAFe) methodology will be used to standardize the project management processes.

When: Implementation and transition will be complete in Fiscal Year 2023.

Recommendation 4.3
We recommend the Division of Technology Services comply with Administrative Rule by performing evaluations on all employees.

Division Response: The Division concurs.

What: DTS will ensure and monitor that employees have performance evaluations in place.

How: DGO is currently piloting a performance management process for the entire department and has provided requirements for setting performance goals and ongoing interaction with employees. DTS senior leadership will ensure that all managers and supervisors are complying with department requirements. DTS will get metrics from the Division of Human Resource Management (DHRM) to identify employees that do not have a performance plan for FY23 and will work with managers/supervisors to have those created. DTS will review each week until all employees have performance plans in place. All employees will have a completed performance evaluation in FY23.

When: Performance plans will be completed by October 1, 2022 and evaluations will occur by the end of FY23.

Recommendation 4.4
We recommend the Division of Technology Services ensure compliance with the third-party security assessments.

Division Response: The Division concurs.

What: DTS will have the Cybersecurity and Infrastructure Security Agency (CISA), an agency within the U.S. Department of Homeland Security, assess each agency bi-annually and will ensure that these assessments comply with statutory requirements.

How: DTS has contacted CISA and will begin scheduling assessments.

When: Assessments conducted by CISA will begin in 2023.

Recommendation 4.5
We recommend the Legislature consider revisiting Utah Code 63A-16-104(4) to allow the IT security assessment to be conducted over a two-year period.

Division Response: The Division concurs.

What: Changing this statute will allow CISA to complete agency assessments over a two-year time period.

How: DGO will work with the Legislature on the necessary legislative changes.

When: DGO recommends statutory language be suggested for the 2023 legislative session.

Recommendation 4.6

We recommend the Division of Technology Services review and accurately report its cost savings.

Division Response: The Division concurs.

What: Part of the legislative intent with the creation of DTS was to decrease costs. DTS has produced cost savings for the state since its creation. DGO has recently established an internal audit office at the department level, which will be a resource to all divisions within the department. The internal audit team will develop cost savings standards, which will be used by DTS to determine what constitutes cost savings. These reports will be audited annually by the DGO audit team.

How: The DGO internal audit team is currently auditing the FY2022 cost savings report and is developing cost savings standards to be used by the department.

When: The audited FY2022 cost savings report will be available by the end of 2022.