A Report on

Analysis of
Quality Assurance Team Projects

November 2018
Report No. 19-007

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Overall Conclusion

At the request of the State's Quality Assurance Team (QAT), the State Auditor's Office assisted the QAT by performing an analysis of four major information system development projects at four state agencies. The State **Auditor's Office selected those four projects** after consultation with the QAT, which provided input on projects that it considered high risk.

It is important to note that this project was a non-audit service; therefore, the information in this report was not subject to all of the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to help ensure accuracy. The agencies self-reported the information in this **report, and the State Auditor's Office did not independently verify that** information.

> Background Information
>
> In 1993, the 73rd Legislature established **the State's Quality Assurance Team** (QAT). The QAT comprises representatives from the Legislative Budget Board, the Department of Information Resources, the Office of the Comptroller of Public Accounts, and the **State Auditor's Office**. The QAT reviews and approves major information resources projects.
>
> The State Auditor serves on the QAT as an advisor.
>
> Sources: The QAT Web site at http://qat.state.tx.us and the *Quality Assurance Team Policies and Procedures Manual*, Version 2.0.

Three of four projects were completed as of June 2018. Those three projects were:

➢ The Office of the Comptroller of Public Accounts's (**Comptroller's Office**) Unclaimed Property System Replacement (UPSR) project.

➢ The Commission on State Emergency Communications's (CSEC) Texas Next Generation 9-1-1 (NG9-1-1) Geospatial Database project.

➢ **The Texas Workforce Commission's (TWC) Treasury Offset Program** (TOP) Benefits project.

The fourth project that the QAT reviewed, the Department of State Health Services's (DSHS) Cyber Security Advancement (CSA) project, was reported as 95 percent complete as of June 2018.

As Table 1 and Table 2 on the next pages show:

➢ Three of the four projects were completed under budget. The fourth, **DSHS's CSA project, was operating within its budget as of June 30,** 2018.

This project was conducted in accordance with Texas Government Code, Sections 2054.1181 and 2054.158.

For more information regarding this report, please contact Courtney Ambres-Wade, Audit Manager, or Lisa Collier, First Assistant State Auditor, at (512) 936-9500.

➢ Two project budgets, those **for the Comptroller's Office** and TWC, did not change. CSEC and DSHS each submitted a *Revised Business Case Workbook* for the NG9-1-1 and CSA projects, respectively, as required.

➢ **TWC's TOP** Benefits project was completed within its original time line. The other three projects were completed later than originally planned.

Table 1 presents a summary of the budgeted and actual expenditures.

Table 1

Summary of Project Budgeted and Actual Expenditures as of June 30, 2018						
Agency	Project	Original Budget [a]	Revised Budget [b]	Total Expended [c]	Total Expended Compared to Original Budget	Percent Complete
Office of the Comptroller of Public Accounts	Unclaimed Property System Replacement (UPSR) Project	$5,683,337	Not Reported by Agency	$4,766,947	$(916,390)	100%
Commission on State Emergency Communications	Texas Next Generation 9-1-1 (NG9-1-1) Geospatial Database Project	$11,327,100	$6,121,152	$5,542,483	$(5,784,617)	100%
Department of State Health Services	Cyber Security Advancement (CSA) Project	$2,994,912	$2,999,193	$2,399,208	$(595,704)	95%
Texas Workforce Commission	Treasury Offset Program (TOP) Benefits Project	$1,624,021	Not Revised	$1,050,317	$(573,704)	100%
[a] This column lists the original project budget the agency submitted to the QAT in its *Business Case Workbook*.						
[b] This column lists the revised project budget amount that the agency submitted to the QAT in its revised *Business Case Workbook* for the project.						
[c] This column lists the total expenditures (paid) for the project as of the project completion date that the agency reported to auditors.						

Sources: The QAT and information the agencies provided to auditors.

Table 2 lists the original and actual completion dates.

Table 2

Summary of Project Completion Dates as of June 30, 2018				
Agency	Project	Original Scheduled Start Date [a]	Original Scheduled Completion Date [b]	Actual Completion Date
Office of the Comptroller of Public Accounts	Unclaimed Property System Replacement (UPSR) Project	September 1, 2015	December 31, 2017	May 31, 2018
Commission on State Emergency Communications	Texas Next Generation 911 (NG9-1-1) Geospatial Database Project	November 1, 2013	August 4, 2016	December 15, 2017
Department of State Health Services	Cyber Security Advancement (CSA) Project	March 21, 2017	March 30, 2018	August 31, 2018
Texas Workforce Commission	Treasury Offset Program (TOP) Benefits Project	March 1, 2015	March 31, 2017	March 31, 2017
[a] This column lists the initial project start date that the agency reported in its final monitoring report to the QAT.				
[b] This column lists the estimated project completion date that the agency reported in its final monitoring report to the QAT.				

Sources: The QAT and information the agencies provided to auditors.

In analyzing the four projects, auditors also noted the following:

➢ Two **(Comptroller's Office** and CSEC) of the four agencies did not always submit their monitoring reports to the QAT within 30 days of the end of the reporting period as the QAT expected.

Project Objective and Scope

The objective of this project was to provide analysis of information resources projects that the QAT monitors.

The scope of this project covered four major information resources projects that the QAT monitored during June 2018.

Contents

Detailed Results

The Office of the Comptroller of Public Accounts's Unclaimed Property System Replacement Project

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Project Summary

As of
August 29, 2018

Original:
- End Date: December 31, 2017
- Budget: $5,683,337

Actual:
- End Date: May 31, 2018
- Expenditures: $4,766,947

Status: 100 percent complete.

Sources: The QAT and information that the **Comptroller's Office** provided to auditors.
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Project History / Overview

The purpose of the Unclaimed Property System Replacement (UPSR) project at the Office of the Comptroller of Public Accounts (Comptroller's Office) was to implement a replacement for its 18-year-old unclaimed property system. Both the Comptroller's Office and the public use the unclaimed property system.

According to the Comptroller's Office, the previous unclaimed property system had multiple deficiencies that kept manual account reconciliation processes from becoming more efficient and presented a risk to data integrity. The new system was designed to protect data integrity, improve security controls, and modernize the system and its user interface. The project scope involved the Comptroller's Office configuring a commercial off-the-shelf product to (1) satisfy business requirements, (2) address long-term sustainability, and (3) reduce potential fraud and security risk.

Project Status

Table 3 lists the original and actual completion dates for the UPSR project.

Table 3

Project Completion Dates			
Project	Original Scheduled Start Date	Original Scheduled Completion Date	Actual Completion Date
Unclaimed Property System Replacement (UPSR) Project	September 1, 2015	December 31, 2017	May 31, 2018

Sources: The QAT and information that **Comptroller's Office** provided to auditors.

The Quality Assurance Team (QAT) approved the UPSR project on August 24, 2015. Due to the final project completion date being revised to May 31, 2018, the project time line was 2.75 years as compared with the original time line of 2.33 years. The Comptroller's Office attributed the extended time line to a delay in the implementation of a Texas Treasury Safekeeping Trust

Company system that interfaces with the Comptroller's Office's new unclaimed property system.

Project Costs

Table 4 summarizes both the budgeted and actual expenditures for the UPSR project. The Comptroller's Office used the Department of Information Resources's *Business Case Workbook* to quantify estimates for this project.

Table 4

Budgeted and Actual Expenditures for the Unclaimed Property System Replacement Project As of August 29, 2018				
Budget Category	Original Budget	Revised Budget	Total Expended	Total Expended Compared to Original Budget
Agency Personnel Expenditures	$1,608,349	Not Reported by **Comptroller's Office**	$410,312	($1,198,037)
Contract/Consultant Expenditures	$2,239,120	Not Reported by **Comptroller's Office**	$3,061,825	$822,705
Hardware/Software/ Other Expenditures	$1,835,868	Not Reported by **Comptroller's Office**	$851,457	($984,411)
Project Contingency	$0	Not Reported by **Comptroller's Office**	$443,353	$443,353
Total Project Costs	$5,683,337	Not Reported by **Comptroller's Office**	$4,766,947	($916,390)

Sources: The QAT and information that **the Comptroller's Office** provided to auditors.

At the conclusion of the UPSR project, the actual expenditures were less than the original budget. The original budget was $5,683,337. The Comptroller's Office reported that the actual amount expended was $4,766,947 as of August 29, 2018.

Project Benefits

According to the Comptroller's Office, the new unclaimed property system was expected to provide many benefits, which included:

▪ Robust internal controls (such as those for security and internal auditing) that mitigate fraud risk.

▪ Improved functionality that includes proven best practices for unclaimed property administration.

▪ Increased efficiency and data integrity due to the replacement of manual system reconciliation workarounds with automated processes and interfaces.

- Protection of confidential data.

- Reduced cost and effort in system maintenance and reduced administrative burden on the Comptroller's Office.

- Reduced overhead and increased efficiency in processing unclaimed property and claims.

- Increased customer satisfaction through improvements in existing services and the introduction of new services, such as a secure online portal for self-service.

Project Demonstration

Auditors attended a demonstration of the unclaimed property system. According to Comptroller's Office, the system's features, functions, and applications were operating effectively and providing the expected benefits listed in the project's *Business Case*. Some of the key application functions that the Comptroller's Office demonstrated included:

- The unclaimed property report submission process.

- The process for public users to claim property through the system.

- Processes and workflow steps for internal users to approve claims.

- System dashboards and tools to assist with report creation, report submission, and claims processing.

Additional Information

During the review of all 11 quarterly monitoring reports that the Comptroller's Office submitted to the QAT, auditors noted the following:

- 7 (64 percent) of 11 monitoring reports were submitted timely.

- 4 (36 percent) of 11 reports were submitted between 3 and 29 days later than the QAT report submission deadline. According to the Comptroller's Office, it has identified and corrected timing issues related to its submission process. The Comptroller's Office stated that, as a result of those changes, its review process has been updated and revised to ensure timely submission of all QAT documentation.

The QAT requires the *Post-implementation Review of Business Outcomes* report to be submitted within six months of a project's completion date; therefore, that final report for the UPSR project is required to be submitted by November 30, 2018.

The Commission on State Emergency Communications's Texas Next Generation 9-1-1 Geospatial Database Project

Project Summary

As of December 15, 2017

Original:
- End Date: August 4, 2016
- Budget: $11,327,100

Actual:
- End Date: December 15, 2017
- Expenditures: $5,542,483

Status: 100 percent complete.

Sources: The QAT and information that CSEC provided to auditors.

Geospatial Data

Information stored as coordinates and topology that identifies the geographic location of features and boundaries on Earth.

Source: The National Emergency Number Association (NENA) Web site at https://www.nena.org/page/NG911GISDataModel.

Project History / Overview

The purpose of the Commission on State Emergency Communications's (CSEC) Texas Next Generation 9-1-1 (NG9-1-1) Geospatial Database project was to implement enterprise geospatial database services (see text box for a definition of geospatial data).

According to CSEC, those geospatial database services utilize geospatial data sourced from 9-1-1 entities and include automated services to consolidate data; perform quality control; and grant National Emergency Number Association (NENA) compliant NG9-1-1 system components access to the validated data. In addition, the project provides E9-1-1 (the previous system) and NG9-1-1 location validation services, as well as other services related to geospatial representation of location information and its viewing, according to CSEC.

NG9-1-1 systems require accurate and complete 9-1-1 Geographic Information System (GIS) data for call routing and callers' location information to decrease response times and ensure that responders are sent to the correct location. According to CSEC, the Texas NG9-1-1 Geospatial Database project involved measuring the quality of the geospatial data to improve the accuracy and completeness of the GIS data before utilizing that data in an operational NG9-1-1 environment.

Furthermore, according to CSEC, the project enables regional planning commissions (RPCs) to continue complying with both the Federal Communications Commission's rules for the delivery of automatic location information (ALI) and the Public Utility Commission of Texas' rules related to ALI database integrity. In addition, CSEC stated that the project helps the Texas Natural Resource Information System meet some of its statutory requirements through its utilization of CSEC and RPC data.

Project Status

Table 5 lists the original and actual completion dates for the NG9-1-1 project.

Table 5

Project Completion Dates			
Project	Original Scheduled Start Date	Original Scheduled Completion Date	Actual Completion Date
Texas Next Generation 9-1-1 (NG9-1-1) Geospatial Database Project	November 1, 2013	August 4, 2016	December 15, 2017

Sources: The QAT and information that CSEC provided to auditors.

The Quality Assurance Team (QAT) approved the NG9-1-1 project on September 26, 2013. CSEC's final monitoring report submitted to the QAT stated that the expected completion date was November 21, 2017, which was an extension of approximately 15 months from the original August 4, 2016, expected completion date. That extension resulted in a project time line of 4.06 years compared with the original expected time line of 2.76 years. However, CSEC asserted that the completion date in the final monitoring report was incorrect, and that the correct completion date was December 15, 2017 (16 months later than the original completion date and a time line of 4.12 years). CSEC asserted that the time line change was attributable to unanticipated project activities.

Project Costs

Table 6 on the next page summarizes both the budgeted and actual expenditures for the NG9-1-1 project. CSEC used the Department of Information Resources's *Business Case Workbook* to quantify estimates for this project.

Table 6

Budgeted and Actual Expenditures for the Texas Next Generation 9-1-1 Geospatial Database As of December 15, 2017				
Budget Category	Original Budget	Revised Budget	Total Expended [a]	Total Expended Compared to Original Budget [b]
Agency Personnel Expenditures	$960,757	$2,296,892	Not Reported by CSEC	Could not Determine
Other Project Expenditures (Hardware/Software and Maintenance)	$3,142,880	$3,824,260	Not Reported by CSEC	Could not Determine
Other Non-Project Expenditures (Hardware/Software and Maintenance)	$7,071,480	$0	Not Reported by CSEC	Could not Determine
Project Contingency	$151,983	$0	Not Reported by CSEC	Could not Determine
Total Project Costs	$11,327,100	$6,121,152	$5,542,483	$(5,784,617)

[a] This is the total project expenditures (project cost to date) as of December 18, 2017, as reported to the QAT in CSEC's final monitoring report. CSEC did not provide a breakdown of the total expended costs by budget category. Consequently, auditors were unable to calculate the difference between the original budget and the total expended for each of the budget categories listed.

[b] CSEC did not provide a breakdown of expenditures by budget category; therefore, auditors determined the total expended compared to the original budget based on the amounts CSEC provided for its original budget and total expenditures.

Sources: The QAT and information that the agency provided to auditors.

At the conclusion of the NG9-1-1 project, the actual expenditures were less than the original budget. The original budget was $11,327,100. CSEC reported that the actual amount expended was $5,542,483.

Project Benefits

According to CSEC, the NG9-1-1 project was expected to provide several benefits, which included:

- Data standardization, sharing, and interoperability.

- Automated data maintenance processes and data provisioning.

- Continued delivery of ALI without degradation of service.

- Consolidation of the existing E 9-1-1 database management function into the NG9-1-1 geospatial database management function.

- Increased location validations.

- A map display service component that can be used by other entities, including emergency response agencies.

Project Demonstration

Auditors attended a demonstration of the NG9-1-1 system. According to CSEC, the system's features, functions, and applications are operating effectively and providing the expected benefits listed in the project's *Business Case*. Some of the key functions that CSEC demonstrated included:

- The flow of 9-1-1 GIS data between the Enterprise Geospatial Database Management System (EGDMS) and the ALI Database Management System (DBMS), which has Location Validation Function (LVF) capabilities.

- The ALI-LVF Geographic Information System Director application.

- The queries used to generate discrepancy and correction reports.

- The visual mapping tool.

Additional Information

During the review of all 17 quarterly monitoring reports that CSEC submitted to the QAT, auditors noted the following:

- 15 (88 percent) of 17 monitoring reports were submitted timely.

- 2 (12 percent) of 17 monitoring reports were submitted late (1 by 7 days and 1 by 9 days). CSEC attributed those late reports to revisions and resubmissions after the reporting period ended.

The QAT requires the *Post-implementation Review of Business Outcomes* report to be submitted within six months of a project's completion date, which would have been June 15, 2018. CSEC submitted that report for the NG9-1-1 project on June 29, 2018.

The Department of State Health Services's Cyber Security Advancement Project

Project History / Overview

The purpose of the Department of State Health Services' (DSHS) Cyber Security Advancement (CSA) project was to protect the agency's computers, networks, programs, and data from unintended or unauthorized access, change, or destruction.

According to the project's *Business Case*, the agency's previous information technology (IT) infrastructure used unsupported, end-of-life technology, which created a risk to the confidentiality, integrity, and availability of DSHS-controlled data. The Cyber Security Advancement (CSA) project involved upgrading servers, network equipment, and aging infrastructure to enable DSHS to better support the future network environment and to secure data transmission both to and from the agency.

Project Status

Table 7 lists the original and actual completion dates for the CSA project.

Table 7

Project Completion Dates as of June 30, 2018			
Project	Original Scheduled Start Date	Original Scheduled Completion Date	Expected Completion Date
Cyber Security Advancement (CSA) Project	March 21, 2017	March 30, 2018	August 31, 2018

Sources: The QAT and information that DSHS provided to auditors.

The Quality Assurance Team (QAT) approved the CSA project on March 16, 2017. The June 30, 2018, monitoring report that DSHS submitted to the QAT stated that the expected completion date was August 31, 2018, which was an extension of five months from the original completion date of March 30, 2018. That extension resulted in a time line of 1.45 years as compared with the originally expected time line of 1.02 years. DSHS attributed the extension of the project's time line to its need to complete additional software and hardware implementations.

Project Summary

As of June 30, 2018

Original:
- End Date: March 30, 2018
- Budget: $2,994,912

Expected:
- End Date: August 31, 2018
- Expenditures: $2,399,208

Status: 95 percent complete.

Sources: The QAT and information that DSHS provided to auditors.

Project Costs

Table 8 summarizes both the budgeted and actual expenditures for the CSA project. DSHS used the Department of Information Resources' *Business Case Workbook* to quantify estimates for this project.

Table 8

Budgeted and Actual Expenditures for the CSA Project As of June 30, 2018				
Budget Category	Original Budget	Revised Budget	Total Expended [a]	Total Expended Compared to Original Budget [b]
Agency Personnel Expenditures	$244,440	$244,440	$213,090	($31,350)
Contract/Consultant Services Expenditures	$0	$0	$0	$0
Hardware/Software/Other Expenditures	$2,251,320	$2,255,601	$2,186,119	($65,201)
Contingency Expenditures	$499,152	$499,152	$0	($499,152)
Total Project Costs	$2,994,912	$2,999,193	$2,399,208	($595,704)
[a] Total does not sum precisely due to rounding.				
[b] Total does not sum precisely due to rounding.				

Sources: The QAT and information that DSHS provided to auditors.

The original estimated project cost was $2,994,912. DSHS reported to auditors that as of June 30, 2018, the actual project expenditures were $2,399,208, and the project was 95 percent complete[1].

Project Benefits

According to DSHS, the CSA project was expected to provide several benefits, which included:

- Upgraded servers and network equipment.

- Securing DSHS assets in any major public cloud platform.

- Acquisition of software to enable secure data transmission and access.

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[1] The scope of this report covered the four projects that the QAT monitored during June 2018. As of June 2018, the CSA project was 95 percent complete. Auditors received the most current monitoring report for the CSA project on October 4, 2018. That monitoring report stated that the project was 100 percent complete as of August 31, 2018, at a total project cost of $2,828,569.

- Establishment of operational functionality that supports remote-access technologies, mobile workers, and telework initiatives.

- Creation of a centralized and agile infrastructure that is responsive to evolving and varying business needs.

- Minimization of security vulnerabilities and protection of IT infrastructure through secure, reliable, and resilient portals to the cloud network.

- Provided IT security operations with better visibility and control of sensitive data in both structured and unstructured formats.

- Provided better protection against outside cyber-attack malware and advanced persistent threats.

- Improved network infrastructure reporting and audit capabilities.

- Provided technology and monitoring services that meet or exceed state and federal mandates.

Project Demonstration

Auditors attended a demonstration of the CSA system. According to DSHS, the system's features, functions, and applications were operating successfully and providing the expected benefits listed in the project's *Business Case*. Some of the key functions that DSHS demonstrated included:

- Detection and prevention of multi-stage attacks.

- Event management logs and data consolidation.

Additional Information

During the review of all five quarterly monitoring reports that DSHS submitted to the QAT, auditors noted that all five monitoring reports were submitted timely.

The QAT requires the *Post-implementation Review of Business Outcomes* report to be submitted within six months of a project's completion date; therefore, that final report for the CSA project is required to be submitted by February 28, 2019.

The Texas Workforce Commission's Treasury Offset Program Benefits Project

Project History / Overview

The purpose of the Texas Workforce Commission's (TWC) Treasury Office Program (TOP) Benefits project was to create an interface with the federal Treasury Offset Program database, which the United States Department of the Treasury's Bureau of the Fiscal Service manages. The federal Treasury Offset Program allows TWC to recover unemployment compensation (UC) debt that is attributable to overpayment of UC benefits due to fraud or misreported earnings.

The 84th Legislature amended the Texas Unemployment Compensation Act (Title 4, Subtitle A, Texas Labor Code) by enacting Senate Bill 208 and House Bill 2732, which provided for use of the federal program for the collection of eligible UC debt. Those bills became effective September 1, 2015. (States' use of the Treasury Offset Program for collection of eligible UC debt is required as a matter of conformity with federal UC law.) According to TWC, its TOP Benefits project was a result of that conforming state legislation.

Debt Offset

The amount of any overpayment to be refunded to the person making the overpayment shall be reduced by the amount of any past-due support (as defined in section 464(c) of the Social Security Act) owed by that person of which the Secretary has been notified by a State.

Source: United States Code, Title 26, Section 6402.

The system developed through the project creates an interface between TWC and the federal Treasury Offset Program application to facilitate the sharing of data regarding UC overpayments and associated penalties for debt offset (see text box for definition) and recoupment. The overall function of TWC's TOP Benefits project is to return recovered UC to the State's Unemployment Insurance (UI) Trust Fund.

Project Status

Table 9 lists the original and actual completion dates for the TOP Benefits project.

Table 9

Project Completion Dates			
Project	Original Scheduled Start Date	Original Scheduled Completion Date	Actual Completion Date
Treasury Offset Program (TOP) Benefits Project	March 1, 2015	March 31, 2017	March 31, 2017

Sources: The QAT and information that TWC provided to auditors.

TWC asserted that it began project planning in September 2015. Due to an increase in the project's estimated budget (see Project Costs section below for more information), TWC submitted a business case to the Quality Assurance Team (QAT) in August 2016. The QAT approved the project on September 19, 2016. The first monitoring report that TWC submitted to the QAT listed the start date for the TOP Benefits project as March 1, 2015, and the scheduled completion date as March 31, 2017. TWC's final monitoring report showed that the actual completion date matched that scheduled completion date.

Project Costs

Table 10 summarizes both the budgeted and actual expenditures for the TOP Benefits project. TWC used the Department of Information Resources's *Business Case Workbook* to quantify estimates for this project.

Table 10

Budgeted and Actual Expenditures for the TOP Benefits Project As of March 31, 2017				
Budget Category	Original Budget	Revised Budget	Total Expended	Total Expended Compared to Original Budget
Agency Personnel Costs	$784,979	Not Revised	$406,813	$(378,166)
Contract/Consultant Services	$350,840	Not Revised	$280,201	$(70,639)
Other Costs (Hardware/Software and Maintenance)	$415,530	Not Revised	$294,519	$(121,011)
Other	$72,672	Not Revised	$68,784	$(3,888)
Total Project Costs	$1,624,021	Not Revised	$1,050,317	$(573,704)

Sources: The QAT and information that TWC provided to auditors.

TWC began project planning with a budget of less than $1 million in September 2015. However, TWC asserted that, after gathering additional cost information, it determined that the budget would exceed $1 million, which required TWC to submit a business case to the QAT in August 2016.

At the conclusion of the TOP Benefits project, the actual expenditures were less than the originally approved budget. The original budget as reported in the *Business Case Workbook* it submitted to the QAT was $1,624,021. TWC reported that the actual amount expended was $1,050,317.

Project Benefits

According to TWC, the TOP Benefits project had the following goals and anticipated outcomes:

- An interface with the federal Treasury Offset Program database to collect debts and any penalties assessed from individuals who have received an overpayment of UC benefits as a result of misreporting earnings or fraud.

- Allow TWC to restore improperly paid benefits to its UI Trust Fund and return funds to the federal government for debt that is attributable to federal UC benefits.

Project Demonstration

Auditors attended a demonstration of the TOP Benefits system. According to TWC, the system's features, functions, and applications were operating successfully and providing the expected benefits listed in the project *Business Case*. Some of the key application functions that TWC demonstrated included:

- An eligibility detail function, which provides information such as claim amounts, payment statuses, and Social Security number verifications.

- An overpayment detail function, which provides the Internal Revenue Service with notification from TWC that a claimant owes an overpayment, identifies whether claimants have outstanding eligible UC debt, and shows the status of balances paid.

- The ability to view claim errors and correct and process coding issues without interfering with claims processing.

- The restriction of access to sensitive information.

Additional Information

During the review of all three quarterly monitoring reports that TWC submitted to the QAT, auditors noted that all three monitoring reports were submitted timely.

The QAT requires the *Post-implementation Review of Business Outcomes* report to be submitted within six months of a project's completion date. TWC submitted that report for the TOP Benefits project on July 31, 2017, which was within the required time period.

Appendix

Objective, Scope, and Methodology

Objective

The objective of this project was to provide analysis of information resources projects that the Quality Assurance Team (QAT) monitors.

Scope

The scope of this project covered four major information resources projects that the QAT monitored during June 2018. Those four projects were:

- The Comptroller of Public Accounts's Unclaimed Property System Replacement project.

- The Commission on State Emergency Communications's Texas Next Generation 9-1-1 Geospatial Database project.

- The Texas Department of State Health Services's Cyber Security Advancement project.

- The Texas Workforce Commission's Treasury Offset Program Benefits project.

Methodology

Auditors used professional judgement, in consultation with the QAT, to select four major information resources projects that were complete or nearing completion for further review.

The agencies self-reported the project information presented in this report to auditors and the QAT. The State Auditor's Office did not independently verify the accuracy of the information that the agencies reported or perform any data reliability work.

Information collected and reviewed included the following:

- Documentation that the agencies submitted to the QAT for the selected projects, including:

  - Acquisition plans.

  - Business cases.

  - Business case workbooks.

- Monitoring reports.

- Project plans.

<u>Procedures and tests conducted</u> included the following:

- Conducted interviews with key personnel involved in the projects.

- Reviewed project-related, self-reported documentation that the agencies submitted to the QAT.

- Observed demonstrations of the completed major information resources system.

<u>Criteria used</u> included the following:

- Texas Government Code, Chapter 2054.

- Title 1, Texas Administrative Code, Chapter 216.

- The Department of Information Resources's *Texas Project Delivery Framework*.

- General Appropriations Act (85th Legislature).

Project Information

Fieldwork was conducted from July 2018 through September 2018. This project was a non-audit service; therefore, the information in this report was not subject to all of the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to help ensure accuracy.

The following members of the State Auditor's staff performed the project:

- Jamie Kelly, MBA (Project Manager)

- Shahpar Hernandez, CPA, JD, CISA (Assistant Project Manager)

- Michael Karnes, MBA, CPA

- Brady Bennett, MBA, CFE

- Alexander Grunstein, CFE

- Anne O'Riordan

- Mary Ann Wise, CPA, CFE (Quality Control Reviewer)

- Courtney Ambres-Wade, CGAP (Audit Manager)

Copies of this report have been distributed to the following:

Legislative Audit Committee
The Honorable Dan Patrick, Lieutenant Governor, Joint Chair
The Honorable Joe Straus III, Speaker of the House, Joint Chair
The Honorable Jane Nelson, Senate Finance Committee
The Honorable Robert Nichols, Member, Texas Senate
The Honorable John Zerwas, House Appropriations Committee
The Honorable Dennis Bonnen, House Ways and Means Committee

Office of the Governor
The Honorable Greg Abbott, Governor

Commission on State Emergency Communications
Members of the Commission on State Emergency Communications
    Mr. Bill Buchholtz, Presiding Officer
    Ms. Kay Alexander
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    Ms. Sue Brannon
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    Mr. Von Washington Sr.
    Mr. Wayne Egeler, Ex Officio Commissioner
    Mr. Jeff Hoogheem, Ex Officio Commissioner
    Mr. John Paul Urban, Ex Officio Commissioner
Mrs. Kelli Merriweather, Executive Director

Department of State Health Services
Dr. John Hellerstedt, Commissioner

Office of the Comptroller of Public Accounts
The Honorable Glenn Hegar, Comptroller of Public Accounts

Texas Workforce Commission
Members of the Texas Workforce Commission
    Ms. Ruth R. Hughs, Chair
    Mr. Julian Alvarez III
    Mr. Robert D. Thomas
Mr. Larry Temple, Executive Director