




STATE OF WISCONSIN | Legislative Audit Bureau

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Joe Chrisman
State Auditor

DATE: September 6, 2019

TO: Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee

FROM: Joe Chrisman
State Auditor 

SUBJECT: Proposed Audit of Information Technology (IT) Needs Assessment and
Procurement Processes—Background Information

At your request, we have gathered some background information that the Joint Legislative Audit Committee may find useful in considering an audit of the State's IT needs assessment and procurement processes.

The Department of Administration (DOA) is statutorily required to ensure that adequate IT services are available to state agencies, other than the University of Wisconsin (UW) System, and that state agencies make effective and efficient use of the State's IT resources. Statutes require DOA to develop policies, procedures, and plans for administering IT resources, provide or contract with an entity to provide computer services to state agencies, and approve or deny each state agency's proposed IT projects. DOA receives quarterly status updates from state agencies on IT projects that are expected to cost more than \$1.0 million or are vital to state agency operations.

UW System manages its IT projects separate from DOA. Statutes require UW System Administration and each UW institution to annually submit an IT strategic plan for approval by the Board of Regents. Board of Regents policies require these plans to include information about large or high-risk IT projects that are expected to cost more than \$1.0 million or are vital to the operations of UW System or a UW institution.

State agencies can finance IT projects by the amounts appropriated to them or by using the State's master lease program, which was created by 1991 Wisconsin Act 39. Master lease funding requires approval from DOA, which pays project vendors and is reimbursed by agencies.

Questions have been raised about how state agencies, including UW System, assess the need for IT projects, procure goods and services for these IT projects, rely on the State's master lease program, and use cloud computing services.

An audit of the State's IT needs assessment and procurement processes could:

- assess how statutory changes in recent years affected the IT needs assessment and procurement processes used by state agencies, including UW System;
- evaluate the oversight provided to the IT needs assessment and procurement processes for state agencies, including UW System, and determine if improvements can be made;

- determine the extent to which issues with IT needs assessment and procurement processes resulted in IT projects not being completed successfully, including not being on time and on budget;
- determine how the master lease program funded IT-related projects in recent years and evaluate DOA's administration and oversight of this program;
- assess how DOA, UW System, and other state agencies have developed management and oversight strategies for use of cloud computing services, including how they determine when to use such services and the extent to which they are currently in use; and
- determine how the State could better manage IT needs assessment and procurement processes.

I hope you find this information helpful. If you have any additional questions regarding this request, please contact me.

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| cc: | Senator Chris Kapenga | Representative John Macco |
| | Senator Alberta Darling | Representative John Nygren |
| | Senator Janet Bewley | Representative Melissa Sargent |
| | Senator Tim Carpenter | Representative Katrina Shankland |
| | Joel Brennan, Secretary | Ray Cross, President |
| | Department of Administration | University of Wisconsin System |