

# Strickland Agency Review Team Reports on OIT

The following is the report by Gov. Ted Strickland's review team which looked at the Office of Information Technology. OIT was created through former Gov. Bob Taft's Executive Order 4004-02T. OIT is housed within the Department of Administrative Services (DAS) and is headed by the chief information officer (CIO), who is a member of the governor's cabinet.

## MAJOR ISSUES

### Issue #1: Management and Governance Project management

Project management competency at all levels is questionable. OIT management staff is noticeably lacking in management, organizational, and operations skill sets.

#### Role of the CIO

- Overall, the CIO's authority and mission are vague, as are the reporting structure and mechanisms of evaluation and accountability.
- The CIO position states that it will advise the governor on IT hardware, software, security, but there is little evidence this is occurring.
- The CIO position is a cabinet-level position, but there is no discussion of the relationship of the CIO to other cabinet members. Legislative Affairs and Communications are necessary components for the Office of the CIO.
- Regular and consistent interaction at the most senior levels with the legislative branch does not occur. Does the legislature consider that position as one that is accountable for security, privacy, delivering projects on time, prioritizing IT investments, etc?

#### Influence over other Agencies

- OIT has limited influence over agencies, except for process approval for agency purchases.
- OIT is so far behind from a technology perspective that they have little credibility with other agencies (many individual agencies have their own CIOs; also see Issue #2: Capacity and Planning).
- OIT has no compliance authority or mechanisms (carrot or stick) to compel agency and vendor accountability.

- OIT lacks performance metrics and/or Service Level Agreements, which are a key element in a shared services environment.

#### Staffing

- The number of people and the stand-alone nature of procurement and contract management are questionable. Monitoring and Audit seem to not take advantage of centralized offerings in other parts of government. OIT has not made the necessary investment in new technology or relevant training for their staff.

### Issue #2: Capacity and Planning: OIT competency

OIT's advice and consultation on technology and planning are rarely sought by other agencies as they feel they can do it cheaper and better by themselves or through vendors. Consequently consultants are brought in for more challenging projects. Nearly all the agencies have surpassed OIT's technical capability leading to individual agency implementation in such areas as; security (firewalls, intrusion detection/prevention), IP telephony, networking, wireless, switching, and application development. The development and deployment of technology systems (software, hardware, business process reengineering) are conspicuously absent from the executive order, the summary, the implementation plan, and all documentation generated thus far from OIT.

#### Enterprise Project Management Office

- OIT has no true Enterprise Architecture in place. The EPMO does not function as a real Enterprise Program or Project Management Office; rather it supplies, through various arms of OIT, services and resources, but does not truly manage the program or project.

#### Strategic Plan/Future Planning

- Overall, there is a dearth of future OIT planning, for example, the Strategic Plan on the OIT website lacks definitive goals or measurable objectives.

#### Standards Development

- There is little evidence of publicly available standards and architecture; this may reflect poor standards development and/or the reality that agencies act independently.

## OIT usage of FT consultants

- There are serious issues with over-reliance on vendors/contractors in long term or mission critical roles. Judicious use (fixed length engagement with clear sunset guidelines, etc.) of consultants can be productive but too often, they become fixtures at great expense and questionable ROI to the taxpayers.

## Issue #3: Privacy and Security

OIT offers little-to-no policy guidance or standards in the areas of privacy and security. No Chief Privacy Officer or Chief Security Officer for this, or any other, agency. There is no evidence of PIA or SIA/STA usage. Interagency data-sharing is imperative, but this is dangerously problematic without centralized privacy and security policies and standards throughout each agency. Without such policies and standards the chances of significant data breaches and spills are greatly increased. There is no interaction with the legislature on privacy or security policy issues.

## MAJOR BUDGET and PROCUREMENT ISSUES

- A \$750 million spend on an enterprise of \$37 billion is a technology spend of about two percent, a low number.
- The 10 percent payroll surcharge to pay for DAS administrative support offices (legal counsel, finance, human resources, and, ironically enough, desktop support) causes OIT to overcharge agencies for their services. Adding a surcharge to OIT's already weak services and then asking them to execute the shared services mission is a nonstarter for many agencies, thus giving them another reason to seek IT services elsewhere.
- Procurement should play a role in compliance with enterprise architecture; this will allow for acquisition by statewide cross-agency needs instead of multiple, independent, agency solutions for the same functional requirements. This will, in turn, produce benefits in economies of scale, interoperability, business continuity, training/peer support and will discourage over-reliance on temporary staff/contractors.
- The State Term Schedule's (STS) process should be streamlined so that the time spent negotiating a new STS is condensed. It currently takes approximately three weeks to get an order through the DAS/OIT process.

## REGULATORY REVIEW

The State as a whole lacks significant regulation/legislation in the areas of privacy and security.

## INTERAGENCY IT PROJECTS

The Ohio Administrative Knowledge System (OAKS) (covered by another team); the Multi-Agency Radio Communication System (MARCS); e-payment; centralized collection and disseminated forms all seem to reflect better planning and more successful governance, but was OIT the lead on any of these projects?

## STAKEHOLDERS

Agencies:

- Agencies see little value in OIT, leading to numerous agency level CIOs; 12 private networks throughout the State; and individual implementation of agency security policies, firewalls, intrusion prevention, and desktop antivirus software. The only agencies using OIT do so because they are either too small to support a staff or they are in the planning stages to breakaway.

Vendors:

- Most vendors spend the majority of their time calling on the individual agencies, viewing OIT as necessary entity so they will not block purchases from other agencies. Contractors are often inappropriately used in internal (agency-to-agency) project/relationship management. Vendors without authority, knowledge of the process and political relationships, historical perspective and long-term stakes cannot effectively deliver top quality services. In addition, contractors are often not required to provide knowledge transfer plans and complete documentation of all systems and process work. There is little evidence of how OIT evaluates the performance of vendors/service providers.
- Some standard procurement contract language is overly burdensome and prohibitive (ex: vendor unlimited liability). This language discourages best solution offerings from many of the most competent companies.

Business:

The Ohio Business Gateway is successful in providing valuable and efficient services.

### JOB CREATION OPPORTUNITIES

An overall improvement in OIT's performance could streamline state government and allow for other agencies to better concentrate on their core missions, rather than spending duplicative efforts on IT.

### CLOSING THOUGHTS AND QUESTIONS TO CONSIDER

OIT was created to provide centralized standards, services and solutions, but their lack of capacity (especially managerial) and authority to implement the solutions exacerbates the very problem they were created to address. Under the current model, OIT does not proactively acquire, build or provide offerings needed by the agencies; therefore, there is no incentive for research and development of new/better solutions. This, in turn prevents OIT from offering useful services at a competitive cost, especially when burdened with the DAS surcharge.

Ultimately, agencies are offered little incentive (carrot or stick) to use OIT services over outsourcing. E-government: To quote one of the team, "E-government should be declared dead." Instead, it should be part of improved business processes embedded in the agencies, with an enterprise work management engine. In addition, benchmarking one state government against another is a meaningless indicator of success when a constituent's real life experience is Amazon or Yahoo.

Privacy and Security: Ohio's lack of a robust, unified privacy/security capacity lays it open to the type of data spills and breaches that have been plaguing the government and the corporate sectors in increasing numbers over the past few years. Without a comprehensive program that includes promulgation of policies, standards, tool usage, rule enforcement, monitoring and auditing, and legislative interaction, the danger of breaches similar to those experienced by Secretary of State Blackwell's office, the federal VA, Ohio University, and others, will continue to grow.

Team members suggest an independent body outside OIT would be best suited to develop and lead such a comprehensive program. At the federal level, a model was developed under the Clinton Administration giving OMB the agency lead for programmatic