

# DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 18-1-19TO

April 2019



## OFFICE OF THE CHIEF TECHNOLOGY OFFICER

OCTO's Oversight of Information Technology  
Acquisitions Needs Improvement to Ensure the  
District Realizes Intended Benefits



### *Guiding Principles*

*Workforce Engagement \* Stakeholders Engagement \* Process-oriented \* Innovation  
\* Accountability \* Professionalism \* Objectivity and Independence \* Communication \* Collaboration  
\* Diversity \* Measurement \* Continuous Improvement*

## **Mission**

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

## **Vision**

Our vision is to be a world-class Office of the Inspector General that is customer-focused, and sets the standard for oversight excellence!

## **Core Values**

Excellence \* Integrity \* Respect \* Creativity \* Ownership  
\* Transparency \* Empowerment \* Courage \* Passion  
\* Leadership





### Why the OIG Did This Audit

OCTO has oversight of Information Technology and Telecommunication System (ITTS) acquisitions and determines where and how technology can systematically support business processes to maximize technological investments.

OCTO also determines the potential of new and emerging technologies to promote the compatibility of computer and communications systems throughout the District government.

Overall, the District spends approximately \$400 million annually on IT acquisitions. The consequences of failed information technology investments are significant, including lost productivity and wasted resources.

The Office of the Inspector General's (OIG) report entitled *Government of the District of Columbia Fiscal Year 2017 Procurement Practices Risk Assessment* identified contracting procedures as a risk area in the District. Of particular concern was procurement governance.

Assessing the effectiveness of OCTO's oversight of IT acquisitions allows the District to address procurement governance risks and ensure the District realizes the intended benefits from IT investments.

### What the OIG Recommends

The OIG made 12 recommendations for the District to strengthen controls over project management and improve processes for reviewing and approving ITTS budgets and requisitions.

## Office of the Chief Technology Officer

### OCTO's Oversight of Information Technology Acquisitions Needs Improvement to Ensure the District Realizes Intended Benefits

#### What the OIG Found

OCTO did not provide oversight of ITTS acquisitions in a consistent manner to ensure the District received the full value and intended benefits from projects implemented under OCTO's control. The District spends a significant amount on ITTS acquisitions – \$985 million in the audit period<sup>1</sup> – and OCTO oversees implementation of the proposed ITTS solutions throughout the District.<sup>2</sup> OCTO cannot meet its oversight responsibility because it lacks a standard project management approach<sup>3</sup> to track and document the progress of each ITTS solution. Key aspects of an effective standard project management approach include maintaining project files and conducting post-implementation reviews to assess whether ITTS solutions provide the intended benefit to the District. As a result, OCTO did not consistently track and document project activities<sup>4</sup> for ITTS capital projects.

Besides its own ITTS acquisitions, OCTO is also required to review and approve other District agencies' ITTS requisitions over \$25,000.<sup>5</sup> However, OCTO did not always approve other District agencies' ITTS acquisitions because it lacks an effective method of identifying all transactions for review. The automated controls OCTO used to assign, track, and document review roles for ITTS requisitions did not consistently assign OCTO a review role and allowed other District agencies to select non-ITTS commodity codes, which circumvented OCTO's review. As a result, OCTO did not review and approve approximately \$152 million in ITTS requisitions.

Finally, OCTO could not identify and does not have a comprehensive listing of all agencies subject to its authority and has yet to issue required regulations on how it would review and approve District agencies' ITTS budgets as required by D.C. Code § 1-1403(3). Ultimately, OCTO cannot ensure that District agencies purchased ITTS solutions in an effective and efficient manner without an adequate process to review and approve ITTS budgets. By issuing regulations, OCTO would guide District agencies on how to submit budget information for OCTO's review and approval. The regulations are also vital in ensuring that all applicable District agencies know how OCTO meets its responsibility to ensure ITTS solutions benefit the District.

<sup>1</sup> The audit period of review was from October 1, 2015, to February 28, 2018.

<sup>2</sup> D.C. Code § 1403(6).

<sup>3</sup> Per the Information Systems Audit and Control Association's *COBIT 5 Framework: Enabling Processes*, a standard management approach enables governance requirements to be met, including management processes, organizational structures, roles and responsibilities, reliable and repeatable activities, and skills and competencies.

<sup>4</sup> Examples of project activities are project activities such as scope/requirements, risk, and costs, scheduling, quality, time, communication, stakeholder involvement, procurement, change control, integration, and benefit realization.

<sup>5</sup> Title 1 D.C. Municipal Regulations (DCMR) § 5602.2, stipulates that an agency's proposal purchase order, or contract for ITTS acquisitions over \$25,000 that has not been reviewed by OCTO and recommended for approval to the Chief Procurement Officer shall be deemed recommended for disapproval.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



April 9, 2019

Lindsey Parker  
Chief Technology Officer  
Office of the Chief Technology Officer  
200 I Street, S.E.  
Washington, D.C. 20003

Dear Chief Technology Officer Parker:


Enclosed is our final report, *OCTO's Oversight of Information Technology Acquisitions Needs Improvement to Ensure the District Realizes Intended Benefits*, (OIG No. 18-1-19TO). The audit was included in our *Fiscal Year (FY) 2018 Audit and Inspection Plan*. We conducted this audit in accordance with generally accepted government auditing standards (GAGAS).

We provided OCTO with our draft report on March 7, 2019, and received its responses on April 1, 2019. We acknowledge and commend OCTO for actively working with OCP to strengthen the District's IT acquisition systems and helping other District agencies understand the value of IT to their business processes and find enterprise-wide cost efficiencies. We appreciate that OCTO officials began addressing some of the findings immediately upon notification during the audit.

OCTO concurred with all of our 12 recommendations. OCTO's actions taken and/or planned are responsive and meet the intent of the recommendations. OCTO's responses to the draft report are included in their entirety at Appendix E.

We appreciate the cooperation and courtesies extended to our staff during this audit. If you have any questions concerning this report, please contact me or Benjamin Huddle, Assistant Inspector General for Audits, at (202) 727-7721.

Sincerely,



Daniel W. Lucas  
Inspector General

DWL/rb

Enclosure

cc: See Distribution List

**DISTRIBUTION:**

The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish (via email)  
Mr. Rashad M. Young, City Administrator, District of Columbia (via email)  
Mr. Barry Kreiswirth, General Counsel, City Administrator, District of Columbia (via email)  
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia (via email)  
The Honorable Brandon T. Todd, Chairperson, Committee on Government Operations, Council of the District of Columbia (via email)  
Mr. John Falcicchio, Chief of Staff, Executive Office of the Mayor (via email)  
Ms. LaToya Foster, Director of Communications, Office of Communications, Executive Office of the Mayor (via email)  
Ms. Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator (via email)  
Ms. Nyasha Smith, Secretary to the Council (via email)  
The Honorable Karl Racine, Attorney General for the District of Columbia (via email)  
Mr. Jeffrey DeWitt, Chief Financial Officer, Office of the Chief Financial Officer (via email)  
Mr. Timothy Barry, Executive Director, Office of Integrity and Oversight, Office of the Chief Financial Officer (via email)  
The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor, Attention: Cathy Patten (via email)  
Mr. Jed Ross, Director and Chief Risk Officer, Office of Risk Management (via email)  
Ms. Berri Davis, Director, FMA, GAO, (via email)

## TABLE OF CONTENTS

---

	<b>Page</b>
<b>Background .....</b>	<b>1</b>
<b>Findings .....</b>	<b>2</b>
OCTO Could Not Demonstrate That the District Received Intended Benefits of Capital ITTS Acquisitions .....	2
OCTO Did Not Provide Adequate Oversight When Approving All ITTS Purchases .....	5
OCTO Did Not Review and Approve ITTS Budgets for District Government Agencies .....	7
Conclusion.....	9
<b>Recommendations.....</b>	<b>10</b>
<b>Agency Response and Office of the Inspector General Comments .....</b>	<b>11</b>
<b>Appendices .....</b>	<b>12</b>
Appendix A. Objectives, Scope, and Methodology.....	12
Appendix B. Acronyms and Abbreviations .....	14
Appendix C. OCTO’s Review Process for ITTS Requisition.....	15
Appendix D. Summary of ITTS Purchases by Agency .....	16
Appendix E. Agency OCTO’s Response to the Draft Report.....	17

## BACKGROUND

The Office of the Chief Technology Officer (OCTO) was established to “centralize responsibility for the District government’s investments in information technology and telecommunications systems [ITTS] to help District departments and agencies provide services more efficiently and effectively.”<sup>6</sup>

According to its website, OCTO's mission is to “direct the strategy, deployment, and management of DC Government technology with an unwavering commitment to [information technology] IT excellence, efficiency, and value for government, residents, businesses [,] and visitors.”<sup>7</sup> OCTO develops and manages technology policies and standards for the District, and providing technology services, support, and solutions to improve services for District agencies.<sup>8</sup> D.C. Code § 1403(6) require OCTO to “[i]mplement [ITTS] solutions and systems throughout the District government ....”

IT is defined as using hardware, software, services, and supporting infrastructure to manage and deliver information using voice, data, and video. Agencies may request that OCTO provide data, software, hardware and related configuration, deployment, operations, and maintenance services. Agencies may also request consulting and analytic services in defining and preparing for IT projects.

D.C. Code § 1-1403(2) assigns OCTO the function to review and approve all IT procurement proposals, purchase orders, and contracts for acquiring ITTS resources and services from District agencies; and recommend that the Chief Procurement Officer (CPO) of the Office of Contracting and Procurement (OCP) either approve or disapprove proposals. And 1 DCMR § 5602.2 stipulates that an agency’s proposal for IT acquisitions over \$25,000 not reviewed by OCTO and recommended for approval to the CPO shall be deemed recommended for disapproval to the CPO.

We used the *United States Government Accountability Office Standards for Internal Control in the Federal Government* to evaluate the design and implementation of OCTO’s internal control system for ensuring the District received the full value and intended benefits of ITTS solutions. Besides the federal government, the GAO recommends that state, local, and quasi-governmental entities also use internal control standards.

Internal control is management’s process to help achieve an agency’s mission, goals, and objectives. Management develops, implements, and monitors internal control. Internal control includes plans, methods, policies, and procedures so an agency’s operations are efficient and effective. Internal control reasonably assures that the agency achieves its objectives.

In the absence of a standard project management framework adopted by OCTO, we also used the Information Systems Audit and Control Association’s *COBIT 5 Framework: Enabling*

---

<sup>6</sup> D.C. Code § 1-1402 (Lexis – current through Feb. 21, 2019, D.C. Law 22-197.

<sup>7</sup> OCTO website, available at <https://octo.dc.gov/page/about-octo> (last visited Feb. 25, 2019).

<sup>8</sup> *Id.*

*Processes*<sup>9</sup> as a best practice for effective IT governance and management of ITTS acquisitions, such as having a standard project management approach, maintaining detailed project plans, obtaining the stakeholder's acceptance of the project, and conducting post implementation reviews to ensure the project attained the desired results and intended benefits. The framework provides globally accepted IT principles, practices, and analytical tools that can help businesses improve value and reduce risk.

The Office of the Inspector General's (OIG) report titled *Government of the District of Columbia Fiscal Year 2017 Procurement Practices Risk Assessment*<sup>10</sup> identified contracting procedures as a risk area in the District. Of particular concern was procurement governance. Assessing the effectiveness of OCTO's oversight of IT acquisitions allows the District to address procurement governance risks and ensure that the District realizes the intended benefits from IT investments.

### **Audit Objectives**

Our audit objectives were to: (1) determine whether acquisitions are realizing intended benefits to the District; and (2) assess OCTO's oversight of IT acquisitions. The audit was included in the *OIG Fiscal Year 2018 Audit and Inspection Plan*. The audit period of review was from October 1, 2015, to February 28, 2018.

## **FINDINGS**

### **OCTO COULD NOT DEMONSTRATE THAT THE DISTRICT RECEIVED INTENDED BENEFITS OF CAPITAL ITTS ACQUISITIONS**

We found that OCTO did not effectively design its internal control system to ensure the District received the full value and intended benefits of ITTS solutions. Specifically, OCTO could not demonstrate whether the District received the intended benefit from 19 capital ITTS projects valued at \$171 million. The District's 6-year Capital Improvements Plan (CIP) presents budget and financial plans for long-term ITTS infrastructure projects known as capital projects. Capital projects may include hardware upgrades, software applications, cybersecurity, and network monitoring.

From a population of 63 capital ITTS projects with a budgeted valued of \$587.5 million, we examined 19 OCTO-implemented projects either completed or substantially completed in the audit period. OCTO could not demonstrate the projects achieved their intended benefits because OCTO lacked a standard project management approach that includes procedures for closing projects and performing post-implementation reviews; and project management files<sup>11</sup> were missing or incomplete, which contributed to internal control weaknesses.

---

<sup>9</sup> COBIT 5 provides a process reference model that represents all of the normal processes typically found in an agency relating to IT activities offering a common reference understandable to operational IT and business managers.

<sup>10</sup> *OIG No. 16-1-17MA, available at [http://app.oig.dc.gov/news/view2.asp?url=release10%2FDistrict\\_Procurement\\_Practices\\_Risk\\_Assessment%2Epdf&mode=audit&archived=0&month=20176&agency=0](http://app.oig.dc.gov/news/view2.asp?url=release10%2FDistrict_Procurement_Practices_Risk_Assessment%2Epdf&mode=audit&archived=0&month=20176&agency=0)* (last visited Feb. 25, 2019).

<sup>11</sup> For the purpose of this discussion, project management file is a collection of documents and approvals that define and guide the acquisition and implementation of an ITTS project.



## **OCTO Lacked a Standard Project Management Approach**

According to the *COBIT 5 Enabling Processes*, section BAI01.01, effective IT governance requires that an organization maintain and enforce a standard approach for project management aligned with good practices based on defined processes throughout the project's life cycle. We found, however, that OCTO lacked a standard project management approach for the 19 projects sampled.

The *COBIT 5 Enabling Processes* suggest that IT organizations should create and maintain portfolios of IT services and systems that support the IT budget and tactical and strategic plans. Additionally, a consistent management approach enables governance requirements to be met, including management processes, organizational structures, roles and responsibilities, reliable and repeatable activities, and skills and competencies.

A standard project management approach should include scope/requirements, risk, costs, scheduling, quality, time, communication, stakeholder involvement, procurement, change control, integration, and benefit realization. The 19 projects reviewed were missing 1 or more of these elements.

## **OCTO's Project Management Files Were Either Incomplete or Missing**

We found that seven projects were missing plans, and nine projects were missing milestones. And OCTO could not identify project managers for four projects with approximately \$23 million in expenditures. We also noted that OCTO revised its budget from \$9.7 million to \$18.4 million to realize the original intended benefits of three capital ITTS projects. However, OCTO could not justify \$6.1 million of the budget increase.

According to the *COBIT 5 Enabling Processes*, the project plan guides the project execution, controls the project's life cycle, and lays the groundwork for the project's successful execution. The organization should prepare and execute a quality project plan because the plan formalizes the scope of the work and identifies the deliverables that will satisfy goals and deliver the intended value. All parties should formally review and approve the plan before it goes into the project management file.

Designated project managers help to ensure alignment with strategic objectives, and establish and maintain a formal, approved, and integrated project management plan to guide project execution and control throughout the life of the project. The project plan should detail the approved project's cost, schedule, scope, deliverables, acceptance criteria, required internal and external resources, responsibilities, estimates of resources required, milestones, release phases, and key dependencies. The project management file also explains each milestone and has reviews of and sign-offs on the deliverable met. Finally, maintaining the project plan ensures that the project reflects actual progress, noting any approved material changes.

## **OCTO did not Formally Close Projects and Obtain User Approvals**

OCTO did not obtain user approvals for six of the eight completed projects.

The *COBIT 5 Framework* suggests that an agency do the following upon completion of a project:

- Collect from the project stakeholder the lessons learned;
- Review the lessons learned and key activities that led to the intended benefit and value;
- Analyze the data and make recommendations for improving the current project and project management methods for future projects; and
- Obtain the stakeholder acceptance of the deliverables and consult with business process owners and IT technical management about the success and achievement of requirements and benefits.<sup>12</sup>

Obtaining such user approval allows the project stakeholder to ascertain whether the project delivered the planned results and value.

## **OCTO did not Perform Post-Implementation Reviews Once Projects Were Completed**

OCTO did not perform post-implementation reviews for seven of the eight completed projects.

The *COBIT 5 Framework* suggests that an IT organization defines and applies key steps for project closure, including post-implementation reviews that assess whether a project attained desired results and benefits. The program managers should plan and execute post-implementation reviews to determine whether projects delivered expected benefits and to improve the project management and system development processes.

During a post-implementation review, the agency confirms the outcome and results, documents lessons learned, and develop an action plan to address any issues. The program manager should evaluate and check the actual performance and outcomes against predicted performance and outcomes (i.e., the intended benefit). Without following post-implementation review procedures, OCTO cannot have reasonable assurance that the IT solution meets stakeholders' expectations, risks are mitigated, the installation process was performed effectively and efficiently, and the solution is usable and benefits the District.

Overall, OCTO cannot demonstrate that the District received the intended benefits of ITTS solutions without effective internal control that includes formal project management standards, complete project management files, project closeout procedures, and post-implementation reviews.

We recommend OCTO:

1. Develop and maintain a standard Information Technology project management approach.

---

<sup>12</sup> See COBIT 5 at pp. 127 and 158.

2. Develop and maintain project management files with the project plan, and updates to the plan, strategic plan, and business case throughout the full life cycle of the project.
3. Obtain user approvals (at the end of each project) requiring the project stakeholder to ascertain whether the project delivered the intended benefit and full value.
4. Establish procedures to perform and document post-implementation reviews to identify, assess, and report whether requirements have been met and expected benefits have been realized.

## **OCTO DID NOT PROVIDE ADEQUATE OVERSIGHT WHEN APPROVING ALL ITTS PURCHASES**

We found that OCTO did not approve all ITTS purchases over \$25,000. This occurred because Procurement Automated Support System (PASS) automated controls did not always add an OCTO reviewer in the approval workflow<sup>13</sup> (see Appendix C). Also, agencies selected non-ITTS commodity codes<sup>14</sup> for ITTS related purchases, which circumvented OCTO's review. OCTO was unaware of these agency procurement requests. Finally, OCTO maintained no centralized system to capture documentation supporting the decisions to approve ITTS requisitions.

OCTO is assigned the function to review and approve all District agencies' proposals for ITTS acquisitions.<sup>15</sup> Specifically, 1 DCMR § 5602.1 requires OCTO to approve all ITTS proposals, purchase orders, and contracts valued over \$25,000 by an agency under the Mayor's authority (Appendix D summarizes the agencies whose IT requisitions OCTO approved).

### **OCTO was not included in the PASS Approval Workflow for all ITTS Purchases**

OCTO developed a PASS automated control based on commodity codes to identify transactions for its review. We found that the automated controls did not always add an OCTO reviewer to the PASS approval workflow for all ITTS purchases because OCTO's ITTS commodity code listing was incomplete. The PASS workflow routes an ITTS requisition to the appropriate OCTO reviewer based on the commodity code selected by the requesting agency.

OCTO created the automated control logic and shares with OCP the responsibility of selecting the commodity codes included in its business rule. Approximately 1,530 commodity codes that OCP and OCTO have characterized as ITTS-related drive OCTO's inclusion in the approval workflow process. However, we found an additional 177 commodity codes used in the audit period that should have been included in the control logic as ITTS related. Overall, our aggregate review of all ITTS purchases in PASS found OCTO had not reviewed and approved \$45.5 million in ITTS requests.

---

<sup>13</sup> This is an automated process through which a requisition passes from initiation to completion in PASS.

<sup>14</sup> Commodity code is a universal taxonomy for identifying commodities and services in procurement systems.

<sup>15</sup> D.C. Code § 1-1403(2) requires OCTO to recommend approval or disapproval of the IT acquisition to OCP for final approval.

## **Some District Agencies Circumvented OCTO's Review and Approval**

Tile 1 DCMR § 5602.2, stipulates that an agency's proposal for IT acquisitions over \$25,000 not reviewed by OCTO and recommended for approval to the CPO shall be deemed recommended for disapproval to the CPO.

Transactions selected in PASS for OCTO's review are, in part, based on the requestor's judgment on which commodity code accurately reflects the item being purchased. OCTO created the ITTS commodity code logic that determines which transactions will be reviewed. Our aggregate review of transactions identified instances where agencies selected non-ITTS commodity codes for ITTS acquisitions, which circumvented OCTO's review and approval.

For example, an agency purchased support for its Advanced Transportation Management System using commodity code 9132700 (Construction Highway and Road). Instead, the agency should have used an ITTS-related commodity code, such as 9203237 (Development Services, Intelligent Transportation System software). The selection of incorrect or inaccurate commodity codes can be attributed to inadequate management oversight and, per OCTO management, a lack of adequate training District-wide on approval requirements for ITTS purchases.

Because some agencies selected non-ITTS commodity codes for ITTS acquisitions, OCTO was unaware of \$106.5 million in ITTS requisitions that should have been deemed recommended for disapproval to the CPO.

## **OCTO did not Maintain Documentation Supporting its Decision to Approve or Disapprove ITTS Requisitions**

Our review of 17 OCTO approved transactions did not show evidence that OCTO performed the required reviews. Specifically, OCTO did not have documentation to support it followed its standard operating procedures when reviewing and approving this sample of approximately \$4.4 million of ITTS purchases.

Documentation must demonstrate that an entity's internal control system is operating effectively. We found that OCTO did not document these reviews required under OCTO's *IT Procurement and IT Project Approval Policy OCTO-1070.1*, sections 4.3.2 to 4.3.4:

- The OCTO Architecture Review Board shall review proposed IT projects for compliance with established Enterprise Architecture standards to maximize opportunities for migration from the current architecture to the desired future architecture.
- The OCTO Change Control Board shall review changes to IT production systems on OCTO managed hardware.
- OCTO managers shall review proposed IT projects for conformity with enterprise product standards and IT strategies, as determined by the OCTO PMO upon review of the Agency request.

OCTO specifies in its Standard Operating Manual that governs IT requisition entries into PASS that the agency's objective is to use a collective and clear review and approval process to "ensure efficient management of the District's IT investments and prevent waste, fraud and abuse of taxpayer dollars."<sup>16</sup> OCTO cannot meet this purpose without documenting its review process.

We recommend OCTO:

5. Periodically review and update Information Technology and Telecommunication System commodity codes used in PASS to ensure the list is accurate, current, and complete.
6. Coordinate with the Office of Contracting and Procurement to train District agencies about D.C. Code § 1-1403 requirements.
7. Adhere to or revise the requirements in the *IT Procurement and IT Project Approval Policy OCTO-1070.1*, sections 4.3.2 to 4.3.4, and maintain supporting documentation.

## **OCTO DID NOT REVIEW AND APPROVE ITTS BUDGETS FOR DISTRICT GOVERNMENT AGENCIES**

OCTO did not review ITTS budgets or define the scope of its authority in regulations to coordinate the acquisition, use, and management of ITTS effectively. D.C. Code § 1-1403(1) assigns OCTO the function to issue regulations governing the acquisition, use, and management of ITTS resources throughout the District government. D.C. Code § 1-1403(3) also requires OCTO to review and approve ITTS budgets for District government departments and agencies.

### **OCTO did not Develop and Publish Regulations on how it would Review and Approve District Agencies' ITTS Budgets**

OCTO did not review and approve District agencies' ITTS budgets as required by D.C. Code § 1-1403(3). In addition, OCTO officials know the need for regulations to support existing laws but have not yet hired additional staff to draft regulations. Regulations from OCTO would provide District agencies with promulgated rules on how to submit budget information for OCTO's review and approval. Without review and approval of ITTS budgets, OCTO cannot ensure that District government departments and agencies can effectively provide IT services.

Issuing regulations is also an opportunity for OCTO to address its concern that the budget review and approval process is ineffective. OCTO officials explained that OCTO gets involved too late in the review process and cannot disapprove IT projects because of the time, money, and effort put into the procurement of the project.

OCTO officials also noted that the District recently established an IT Investment Review Board (ITIRB) comprised of staff from OCTO to technically review capital ITTS projects for FY 2020. Although, the ITIRB does not review and approve budgets, it allows OCTO a chance to screen

---

<sup>16</sup> D.C. OFFICE OF THE CHIEF TECHNOLOGY OFFICER, IT REQUISITION PASS ENTRY STANDARD OPERATING MANUAL 2 (Rev. Apr. 2018).

upcoming projects. The next step may be for OCTO to present its concerns about the budget review and approval process and recommend that the ITIRB allow OCTO to review and approve projects before the District includes them in the CIP.

### **OCTO Does Not Have a List of Subordinate Agencies Whose ITTS Acquisitions Require OCTO's Review and Approval**

OCTO's *IT Procurement and IT Project Approval Policy OCTO-1070.1*, section 1.1.2 states the policy applies to "any IT procurement . . . proposed by an Agency under the authority of the Mayor." Per D.C. Code 1-603.01(17), "a subordinate agency is any agency under the direct administrative control of the Mayor . . . ."

Instead of providing a comprehensive list of agencies under its authority, OCTO provided OIG a listing of District agencies subject to the CPO's authority as described in OCP's *District Agency Procurement Authority* (as of March 31, 2017)<sup>17</sup> and agencies with independent procurement authority. The list, however, made no distinction between the agencies subject to OCP's authority and agencies under the Mayor's authority. The list also did not identify which agencies must get OCTO's review and approval for IT acquisitions.

Because OCTO did not respond to our requests for a clarification about whether OCP's authority is the same as the Mayor's authority, we used OCTO's PASS business rule that defines what requisitions require an IT Liaison approval according to the PASS workflow to identify agencies subject to the Mayor's authority. Based on this logic, there are 76 subordinate agencies in PASS under the Mayor's authority whose IT acquisitions OCTO must review.

Ultimately, OCTO needs a comprehensive listing of agencies under its authority to review all ITTS purchases and ensure that the District pays for effective IT solutions. A comprehensive list of agencies that need OCTO's review and approval is also important because OCTO cannot approve IT acquisitions effectively and efficiently if it does not know which agencies it must review. Finally, OCTO will need the comprehensive list to inform all agencies that should follow its review and approval policies when OCTO publishes and issues those regulations.

We recommend OCTO:

1. Assign resources to draft regulations under D.C. Code § 1-1403(1).
2. Develop and implement policies and procedures upon drafting regulations under D.C. Code § 1-1403(3).
3. Recommend that the Information Technology Investment Review Board allow OCTO to review and approve project budgets before including them in the Capital Improvements Plan.

---

<sup>17</sup> See OCP website, available at [https://ocp.dc.gov/sites/default/files/dc/sites/ocp/page\\_content/attachments/OCP%20District%20Agency%20Procurement%20Authority%20%28March%2031%2C2017%29.pdf](https://ocp.dc.gov/sites/default/files/dc/sites/ocp/page_content/attachments/OCP%20District%20Agency%20Procurement%20Authority%20%28March%2031%2C2017%29.pdf) (last visited Mar. 1, 2019).

4. Develop a list of all agencies, including agencies under the Mayor's authority, whose Information Technology acquisition must first go through OCTO's review and approval process.
5. Update the PASS system business logic to include all applicable agencies.

## **CONCLUSION**

OCTO cannot systematically assess whether capital ITTS solutions provide the intended benefit to the District if the agency has no standard project management approach that documents the progress of each IT project, including maintaining project files with approvals, and conducting post-implementation reviews. Additionally, OCTO must issue regulations to clarify how and for which agencies it reviews and approves ITTS budgets.

OCTO must review and approve District agencies' ITTS requisitions, but it cannot do so without an effective method of identifying transactions for review and clearly designating agencies under its purview in regulations. The regulations are vital in ensuring that all applicable District agencies know how OCTO meets its responsibility to ensure ITTS solutions benefit the District.

## RECOMMENDATIONS

We recommend OCTO:

1. Develop and maintain a standard Information Technology project management approach.
2. Develop and maintain the project management files with the project plan, and update the plan and business case throughout the full life cycle of the project.
3. Obtain user approvals (at the end of each project) requiring the project stakeholder to ascertain whether the project delivered the intended benefit and full value.
4. Establish procedures to ensure and document post-implementation reviews to identify, assess, and report whether requirements have been met and expected benefits have been realized.
5. Periodically review and update Information Technology and Telecommunication System commodity codes used in PASS to ensure the list is accurate, current, and complete.
6. Coordinate with the Office of Contracting and Procurement to train District agencies about the D.C. Code § 1-1403 requirements.
7. Adhere to or revise the requirements in the *IT Procurement and IT Project Approval Policy* 1070.1 Sections 4.3.2 to 4.3.4, and maintain supporting documentation.
8. Assign resources to draft regulations under D.C. Code § 1-1403(1).
9. Develop and implement policies and procedures upon drafting regulations under D.C. Code § 1-1403(3).
10. Recommend that the Information Technology Investment Review Board allow OCTO to review and approve project budgets before including them in the Capital Improvements Plan.
11. Develop a list of all agencies, including agencies under the Mayor's authority, whose Information Technology acquisition must first go through OCTO's review and approval process.
12. Update the PASS system business logic to include all applicable agencies.



## **AGENCY RESPONSE AND OFFICE OF THE INSPECTOR GENERAL COMMENTS**

We provided OCTO with our draft report on March 7, 2019, and received its responses on April 1, 2019. We acknowledge and commend OCTO for actively working with OCP to strengthen the District's IT acquisition systems and helping other District agencies understand the value of IT to their business processes and find enterprise-wide cost efficiencies. We appreciate that OCTO officials began addressing some of the findings immediately upon notification during the audit.

OCTO concurred with all of our 12 recommendations. OCTO's actions taken and/or planned are responsive and meet the intent of the recommendations. OCTO's responses to the draft report are included in their entirety at Appendix E.

## APPENDIX A. OBJECTIVES, SCOPE, AND METHODOLOGY

---

We conducted our audit work from March 2018 to December 2018 in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit objectives were to: (1) determine whether acquisitions are realizing intended benefits to the District; and (2) assess OCTO's oversight of IT acquisitions. The audit was included our *Fiscal Year 2018 Audit and Inspection Plan*. The audit period of review was from October 1, 2015, to February 28, 2018.

To accomplish the objectives, we reviewed and assessed compliance with applicable laws and regulations governing the IT procurement process, functions assigned to OCTO, and subordinate agencies under the Mayor's authority. We reviewed prior audit reports from our Office and other government entities.

We reviewed the 6-year CIP for FY 2016, 2017, and 2018 to determine the number of capital ITTS projects OCTO implemented or purchased during the audit period. We then selected 19 capital ITTS projects implemented by OCTO to determine if the District received the intended benefit from the project. We reviewed the budget for each project in our sample to assess whether the project exceeded its original budget. We also reviewed the expenditures of the projects to the end of the audit period. We requested the project management files to determine if OCTO provided effective IT governance and maintained user approvals and post-implementation reviews verifying that projects met stakeholders' expectations and project managers documented lessons learned.

We interviewed OCTO officials to gain an understanding of the review and approval process for ITTS requisitions valued over \$25,000. We also interviewed OCTO project managers to obtain a comprehensive understanding of budgets and project management standards for capital ITTS projects and the acquisition process.

We reviewed business rules that direct requisitions to OCTO for IT approvals and reviewed all IT purchases in the audit period requiring OCTO's review and approval. We also reviewed 17 transactions in PASS of \$25,000 and greater to ascertain whether OCTO followed its review and approval procedures. We verified completeness of transactions in PASS by validating the query, comparing the variances, and reconciling any discrepancies.

We assessed the validity and reliability of computer-processed data and performed limited testing to verify the accuracy and completeness of the data. We obtained read only access to PASS to conduct our testing. We also relied on data generated from the System of Accounting and Reporting and extracted encumbrances from CFO Solve. We performed audit procedures to verify the accuracy of the information.

## **APPENDIX A. OBJECTIVES, SCOPE, AND METHODOLOGY**

---

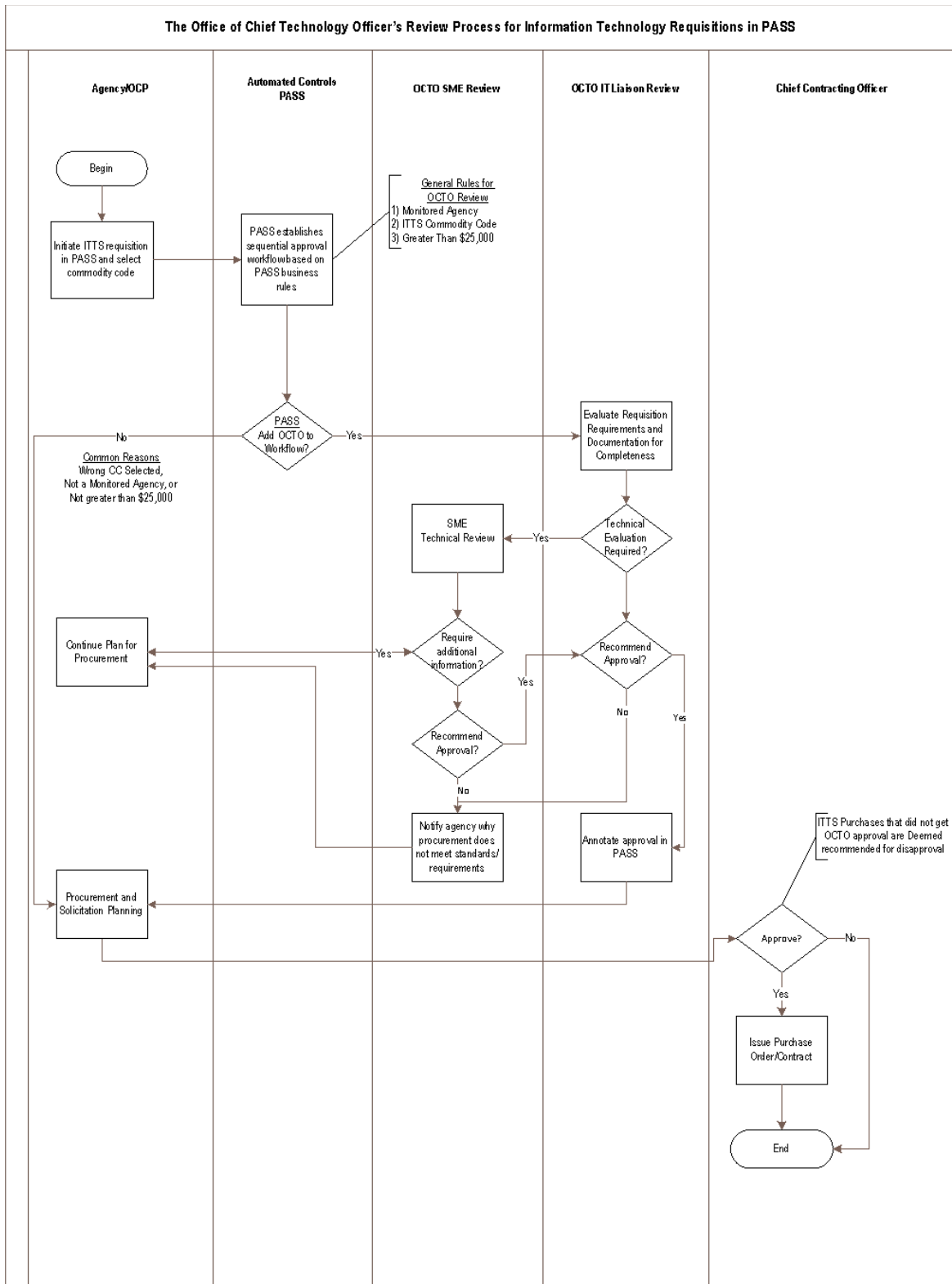
We used the *United States Government Accountability Office Standards for Internal Control* to evaluate the adequacy of internal controls over OCTO's IT procurement practices. We formulated an internal control questionnaire for OCTO to answer, and we assessed whether internal controls were in place to prevent or detect material errors and irregularities. We also reviewed the ISACA's *COBIT 5 Framework: Enabling Processes* to assess best practices for effective IT governance.

## **APPENDIX B. ACRONYMS AND ABBREVIATIONS**

---

CIP	Capital Improvements Plan
CPO	Chief Procurement Officer
CTO	Chief Technology Officer
DCMR	District of Columbia Municipal Regulations
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
IT	Information Technology
ISACA	Information Systems Audit and Control Association
ITIRB	IT Investment Review Board
ITTS	Information Technology and Telecommunication Systems
OCP	Office of Contracting and Procurement
OCTO	Office of the Technology Officer
OIG	Office of the Inspector General
PASS	Procurement Automated Support System

# APPENDIX C. OCTO'S REVIEW PROCESS FOR ITTS REQUISITIONS



## APPENDIX D. SUMMARY OF ITTS PURCHASES BY AGENCY

PASS Agencies Monitored by OCTO	Less Than \$25,000	Trans. Count	No OCTO Approval	Trans. Count	OCTO Approval	Trans. Count	ITTS Purchases	Trans. Count
AA0 - OFFICE OF THE MAYOR	\$ 39,120.36	5			\$ 29,647.00	1	\$ 68,767.36	6
AC0 - OFFICE OF THE D.C. AUDITOR	288,103.89	46			53,562.41	2	341,666.30	48
AD0 - OFFICE OF THE INSPECTOR GENERAL	480,007.27	40	623,669.98	10	439,882.58	3	1,543,559.83	53
AE0 - CITY ADMINISTRATOR / DEPUTY MAYOR					30,897.60	1	30,897.60	1
AF0 - CONTRACT APPEALS BOARD	12,806.57	5					12,806.57	5
AG0 - DC BD OF ETHICS AND GOVT ACCOUNTABILITY	23,002.83	3					23,002.83	3
AM0 - DEPT. OF GENERAL SERVICES	473,417.31	42	8,514,086.23	32	2,441,308.75	26	11,428,812.29	100
AP0 - OFFICE ON ASIAN/PACIFIC AFFAIRS	6,933.30	1					6,933.30	1
BD0 - OFFICE OF PLANNING	92,223.07	8			93,328.00	1	185,551.07	9
BE0 - D.C. DEPT. OF HUMAN RESOURCES	155,854.74	17	509,162.17	8	472,561.34	4	1,137,578.25	29
BN0 - HOMELAND SECURITY/EMERGENCY MGMT	710,206.22	64	546,006.57	11	1,397,765.56	18	2,653,978.35	93
BX0 - COMMISSION ON ARTS & HUMANITIES	43,985.16	9	88,775.00	1			132,760.16	10
BY0 - OFFICE ON AGING	237,324.49	34	149,676.10	4	474,785.90	9	861,786.49	47
BZ0 - MAYOR'S OFFICE ON LATINO AFFAIRS	61,394.29	5					61,394.29	5
CB0 - OFFICE OF THE ATTORNEY GENERAL	461,827.36	57	357,837.05	7	4,046,900.08	31	4,866,564.49	95
CE0 - DC PUBLIC LIBRARY	1,038,825.49	95	804,041.36	11	4,952,671.06	39	6,795,537.91	145
CF0 - DEPT. OF EMPLOYMENT SERVICES	912,793.36	92	4,373,770.61	26	21,502,053.44	113	26,788,617.41	231
CG0 - PUBLIC EMPLOYEE RELATIONS BOARD	28,356.36	4					28,356.36	4
CH0 - OFFICE OF EMPLOYEE APPEALS	414.11	1					414.11	1
CJ0 - OFFICE OF CABLE TV, FILM, MUSIC AND ENT.	380,685.22	37	245,143.65	3	1,885,850.25	7	2,511,679.12	47
CK0 - OFFICE OF CAMPAIGN FINANCE	6,708.24	1			160,992.96	3	167,701.20	4
CQ0 - OFFICE OF TENANT ADVOCATE	43,952.55	3			76,881.88	2	120,834.43	5
CR0 - DEPT. OF CONSUMER AND REG. AFFAIRS	766,655.04	66	2,014,333.20	11	12,696,922.01	66	15,477,910.25	143
DA0 - BD OF REAL PROPERTY ASSESSMENT & APPEALS					120,000.00	2	120,000.00	2
DB0 - DEPT. OF HOUSING AND COMM. DEVEL.	129,472.08	19	236,593.11	4	974,675.33	12	1,340,740.52	35
DD0 - PUBLIC SERVICE COMMISSION	181,695.12	30	226,979.22	4	97,810.00	2	506,484.34	36
DE0 - OFFICE OF PEOPLE'S COUNSEL	452,165.75	96	103,285.00	2	272,814.23	8	828,264.98	106
DL0 - BOARD OF ELECTIONS	260,696.38	35	3,293,705.96	12	1,284,378.60	17	4,838,780.94	64
DV0 - JUDICIAL NOMINATION COMMISSION	2,957.22	1					2,957.22	1
EB0 - DEPUTY MAYOR FOR ECONOMIC DEVEL.	165,999.27	22	842,796.00	8	69,312.56	2	1,078,107.83	32
EM0 - DEPUTY MAYOR FOR GREATER ECONOMIC OPP.	34,601.26	5					34,601.26	5
EN0 - DEPT OF SMALL & LOCAL BUSINESS DEV.	25,288.70	4	30,637.88	1	133,392.85	2	189,319.43	7
FA0 - METROPOLITAN POLICE DEPT.	1,909,061.19	167	2,884,319.22	18	26,003,822.53	183	30,797,202.94	368
FB0 - FIRE AND EMERGENCY MEDICAL SERVICES	525,041.17	38	859,098.58	5	1,383,017.51	23	2,767,157.26	66
FD0 - OFFICE OF POLICE COMPLAINTS	34,864.04	11					34,864.04	11
FJ0 - CRIMINAL JUSTICE COORDINATING COUNCIL	111,905.20	9	783,604.27	3	534,532.16	4	1,430,041.63	16
FK0 - DC NATIONAL GUARD	149,529.24	22			57,100.00	2	206,629.24	24
FL0 - DEPT. OF CORRECTIONS	830,093.00	87	1,004,772.91	14	2,816,979.11	41	4,651,845.02	142
FO0 - OFFICE OF JUSTICE GRANTS ADMINISTRATION	58,755.23	5	216,974.58	2			275,729.81	7
FR0 - DEPT. OF FORENSIC SCIENCES	687,573.90	78	1,371,999.76	8	3,075,463.14	36	5,135,036.80	122
FS0 - OFFICE OF ADMINISTRATIVE HEARINGS	78,165.45	9	120,731.00	1	276,247.38	5	475,143.83	15
FX0 - OFFICE OF THE CHIEF MEDICAL EXAMINER	492,080.36	59	71,610.15	2	89,359.33	3	653,049.84	64
FZ0 - D.C. SENTENCING & CRIM. CODE REV. COMM.	46,446.23	5			756,291.34	9	802,737.57	14
GA0 - DISTRICT OF COLUMBIA PUBLIC SCHOOLS	7,526,995.80	1,362	11,429,419.64	90	19,797,026.81	146	38,753,442.25	1,598
GD0 - STATE SUPERINTENDENT OF EDUCATION (OSSE)	936,773.55	75	6,729,768.73	29	28,864,002.96	198	36,330,545.24	302
GE0 - DC STATE BOARD OF EDUCATION	15,783.82	3					15,783.82	3
GO0 - SPECIAL EDUCATION TRANSPORTATION	112,916.83	11	551,177.54	5	1,812,213.74	10	2,476,308.11	26
GW0 - DEPUTY MAYOR FOR EDUCATION	46,134.76	3					46,134.76	3
HA0 - DEPT. OF PARKS AND RECREATION	79,008.47	12	522,406.70	5	590,855.15	9	1,192,270.32	26
HC0 - DEPT. OF HEALTH	1,242,009.95	123	6,293,720.56	48	6,420,552.61	50	13,956,283.12	221
HG0 - DEPUTY MAYOR FOR HEALTH & HUMAN SVCS.	16,588.86	2					16,588.86	2
HM0 - OFFICE OF HUMAN RIGHTS	141,851.05	12					141,851.05	12
HT0 - DEPT. OF HEALTH CARE FINANCE	1,080,979.38	106	67,982,448.35	19	51,255,463.26	253	120,318,890.99	378
JA0 - DEPT. OF HUMAN SERVICES	1,340,361.24	115	1,499,286.13	15	90,007,961.08	189	92,847,608.45	319
JM0 - DEPT. ON DISABILITY SERVICES	244,541.45	26	1,281,851.57	10	1,781,607.64	18	3,308,000.66	54
JR0 - OFFICE OF DISABILITY RIGHTS	29,025.76	5					29,025.76	5
JZ0 - DEPART OF YOUTH REHABILITATION SERVICES	450,109.66	35	29,030.10	1	1,119,584.29	15	1,598,724.05	51
KA0 - DEPT. OF TRANSPORTATION	944,963.08	92	2,172,082.08	13	12,078,096.59	107	15,195,141.75	212
KG0 - DEPT. OF ENERGY AND ENVIRONMENT	766,592.63	101	405,524.92	6	1,805,875.47	19	2,977,993.02	126
KT0 - DEPT. OF PUBLIC WORKS	1,078,956.88	103	2,336,404.75	27	5,025,395.38	50	8,440,757.01	180
KV0 - DEPT. OF MOTOR VEHICLES	1,233,209.63	147	4,677,170.58	21	4,660,219.22	41	10,570,599.43	209
LQ0 - ALCOHOLIC BEVERAGE REGULATION ADMIN.	190,497.71	23	165,716.67	2	177,623.72	2	533,838.10	27
PO0 - OFFICE OF CONTRACTING AND PROCUREMENT	201,196.98	30			389,693.19	9	590,890.17	39
RK0 - OFFICE OF RISK MANAGEMENT	58,555.55	5	33,210.46	1	35,793.46	1	127,559.47	7
RL0 - CHILD AND FAMILY SERVICES	1,070,973.50	104	3,485,754.04	18	12,520,877.87	45	17,077,605.41	167
RM0 - DEPT. OF BEHAVIORAL HEALTH	677,914.30	91	3,090,537.89	14	5,753,759.55	29	9,522,211.74	134
SR0 - DEPT. OF INSURANCE, SECURITIES & BANKING	305,679.54	35			1,186,960.03	16	1,492,639.57	51
TC0 - DEPT. OF FOR-HIRE VEHICLES	160,037.65	16	715,721.06	7	648,248.45	7	1,524,007.16	30
TO0 - OFFICE OF CHIEF TECHNOLOGY OFFICER	6,282,898.75	539			242,986,516.10	1,485	249,269,414.85	2,024
UC0 - OFFICE OF UNIFIED COMMUNICATIONS	1,529,964.77	135	8,342,270.04	34	35,433,001.51	144	45,305,236.32	313
<b>Totals - PASS Agencies Monitored by OCTO</b>	<b>\$ 40,005,509.57</b>	<b>4,648</b>	<b>\$152,017,111.36</b>	<b>573</b>	<b>\$613,052,534.97</b>	<b>3,520</b>	<b>\$805,075,155.90</b>	<b>8,741</b>
Commodity Code not part of PASS control			\$ 45,515,709.26	264				
Wrong Commodity Code selected by requestor			106,501,402.10	309				
<b>Monitored Agency Transactions Not Reviewed by OCTO</b>			<b>\$152,017,111.36</b>	<b>573</b>				
<b>PASS Agencies Not Monitored by OCTO</b>								
AB0 - COUNCIL OF THE DISTRICT OF COLUMBIA	\$ 1,237,285.28	273	\$ 5,570,548.55	56			\$ 6,807,833.83	329
AS0 - OFFICE OF FINANCE & RESOURCE MGMT	8,932.80	1	85,941.20	1			94,874.00	2
AT0 - OFFICE OF CHIEF FINANCIAL OFFICER	2,005,428.43	243	85,389,151.06	244			87,394,579.49	487
BJ0 - OFFICE OF ZONING	225,110.79	30	807,953.62	6			1,033,064.41	36
DC0 - OFFICE OF LOTTERY AND CHARITABLE GAMES	158,354.49	22	22,683,524.24	16			22,841,878.73	38
HI0 - D.C HEALTH BENEFIT EXCHANGE AUTHORITY	481,822.72	57	61,267,441.33	52			61,749,264.05	109
<b>Totals - PASS Agencies Not Monitored by OCTO</b>	<b>\$ 4,116,934.51</b>	<b>626</b>	<b>\$175,804,560.00</b>	<b>375</b>	<b>-</b>	<b>-</b>	<b>\$179,921,494.51</b>	<b>1,001</b>
<b>PASS Total (ITTS Transactions)</b>	<b>\$ 44,122,444.08</b>	<b>5,274</b>	<b>\$327,821,671.37</b>	<b>948</b>	<b>\$613,052,534.97</b>	<b>3,520</b>	<b>\$984,996,650.41</b>	<b>9,742</b>

## APPENDIX E. OCTO'S RESPONSE TO THE DRAFT REPORT

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF TECHNOLOGY OFFICER



April 1, 2019

Mr. Daniel W. Lucas  
Inspector General  
Office of the Inspector General  
717 14<sup>th</sup> Street, NW  
Washington DC 20005

Re: OCTO's Oversight of Information Technology Acquisitions OIG Draft Report

Dear Inspector General Lucas:

We are in receipt of the draft Confidential OIG Report ("Report") regarding the Office of the Chief Technology Officer ("OCTO") entitled "OCTO's Oversight of Information Technology Acquisitions Needs Improvement to Ensure the District Realizes Intended Benefits."

OCTO is in the midst of drafting and implementing a new initiative to revamp IT acquisition processes and procedures utilizing the widely adopted Technology Business Management ("TBM") framework. This new approach would strengthen the IT procurement and project management processes in the District. It would require all District agencies to take a hard look at their business processes and mindfully assess their IT needs in order to successfully carryout their mission. It would also incentivize agencies to consult with OCTO well in advance of their IT purchases. This implementation would increase IT efficiency by reducing costs, optimizing IT capacity and utilization, and leading to better IT business investment decisions – a financial model.

Listed below are our specific responses to the twelve (12) recommendations made by the OIG.

- 1) Develop and maintain a standard Information Technology project management approach.

**Response:** Agree. OCTO received funding in the Mayor's proposed FY2020 operating budget to establish an IT Governance program. A component of this will be rolling out a technology project management approach. Expected implementation timeframe will be during FY2020.

- 2) Develop and maintain project management files with the project plan, and updates to the plan, strategic plan, and business case throughout the full life cycle of the project.

**Response:** Agree. OCTO is currently reviewing the scope of several project management tools. Once an appropriate project management tool is identified, it will be used to set up an enterprise data repository for collecting and maintaining IT project plans and business cases throughout the full life cycle of the project. Expected implementation timeframe will be during FY2020.

200 I Street S.E, Washington, DC 20001 (202) 727-2277

## APPENDIX E. OCTO'S RESPONSE TO THE DRAFT REPORT

Letter to OIG  
Re: IT Procurement Audit  
April 1, 2019

- 3) Obtain user approvals (at the end of each project) requiring the project stakeholder to ascertain whether the project delivered the intended benefit and full value.

**Response:** Agree. OCTO will standardize and implement a process to capture project stakeholder feedback at standardized milestones within an OCTO-managed IT project lifecycle to include project initiation, requirements acceptance, delivery and post implementation review. OCTO will configure this standard into the project management tool as referenced in number "2" above.

- 4) Establish procedures to perform and document post-implementation reviews to identify, assess, and report whether requirements have been met and expected benefits have been realized.

**Response:** Agree. See OCTO's response to recommendation number "3" above.

- 5) Periodically review and update Information Technology and Telecommunication System commodity codes used in PASS to ensure the list is accurate, current, and complete.

**Response:** Agree. This task is owned by the Office of Contracting and Procurement ("OCP") which follows the National Institute of Governmental Purchasing ("NIGP") codes. Going forward, OCTO will request a quarterly meeting with OCP to review, modify and/or eliminate IT and Telcom commodity codes used in PASS to ensure the list is accurate, current and complete.

- 6) Coordinate with the Office of Contracting and Procurement to train District agencies about the D.C. Code §1-1403(3) requirements.

**Response:** Agree. An OCTO resource will be identified to work with OCP and provide IT procurement training on a quarterly basis.

- 7) Adhere to or revise the requirements in the IT Procurement and IT Project Approval Policy 1070.1 Sections 4.3.2 to 4.3.4 and maintain supporting documentation.

**Response:** Agree. OCTO will revise or rescind this requirement so that it supports the new implementation of the TBM financial modelling it intends to implement in FY 2020. The new policy will accurately reflect the overall purpose and process for vetting IT acquisitions.

- 8) Assign resources to draft regulations under D.C. Code §1-1403(1).

**Response:** Agree. Resources have been identified to draft regulations and policies to address IT procurement. Expected implementation timeframe will be during FY2020.

- 9) Develop and implement policies and procedures upon drafting regulations under D.C. Code §1-1403(3).

**Response:** See OCTO response to recommendation number "8" above.



## APPENDIX E. OCTO'S RESPONSE TO THE DRAFT REPORT

Letter to OIG  
Re: IT Procurement Audit  
April 1, 2019

- 10) Recommend that the Information Technology Investment Review Board allow OCTO to review and approve project budgets before including them in the Capital Improvement Plan.

**Response:** Agree. The Information Technology Investment Review Board ("ITIRB") was created as a pilot in FY2019. The ITIRB evaluated agency capital projects for the FY2020 through FY2025 budget formulation periods and made recommendations to the Mayor's budget office regarding whether a project was viable and should be approved.

OCTO will continue to refine the role and responsibilities of the ITIRB. This includes establishing standards and guidelines for agencies when submitting IT projects to the ITIRB, and for the board when conducting the reviews.

- 11) Develop a list of all agencies, including agencies under the Mayor's authority, whose Information Technology acquisition must first go through OCTO's review and approval process.

**Response:** Agree. Expected implementation timeframe will be during FY2019.

- 12) Update the PASS system business logic to include all applicable agencies.

**Response:** Agree. OCTO will coordinate with OCP to update the PASS system after the District agency list is published.

In conclusion, OCTO is actively working with OCP to strengthen the District's IT acquisition systems. We believe that District agencies will be encouraged by the new financial model to help understand the value of IT to their business processes and find enterprise-wide cost efficiencies.

Sincerely,



Lindsey V. Parker  
Chief Technology Officer

cc: Rashad Young, City Administrator  
[REDACTED] Assistant City Administrator  
Betsy Cavendish, General Counsel to Mayor  
George Schutter, Contracting Procurement Officer