Policy & Standard Background

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| Name: Policy 122 – Administrative and Financial Systems Investment Approval |
| Purpose of Action: New Policy |
| What is the business case for the policy/standard? |
| A large portion of the state’s enterprise IT systems were implemented many years ago and have had difficulty in meeting the evolving business needs of agencies over time. This has led to agencies procuring or developing their own systems, resulting in technology sprawl across the state. As enterprise systems are replaced with solutions employing modern architectures and expanded business capabilities, the business case for agencies in maintaining their own systems is more difficult to justify.  This policy seeks to reduce agency investments in administrative and financial “shadow” systems and direct agencies to the use of enterprise solutions where the business case fits. In addition, this policy seeks to reduce the number of disparate systems deployed throughout the state by directing agencies to evaluate existing agency-deployed solutions if an enterprise solution does not meet their business needs.  The evaluation and approval of agency administrative and financial system investments has been an ongoing process at the OCIO since 2017. While the SAAM directs agencies to receive approval from the OCIO for investments in administrative and financial solutions, the process by which agencies submit requests and receive approval has not been well documented or well publicized. As a result, investments in agency shadow systems have not had sufficient oversight. This policy formalizes the investment evaluation and approval process, resulting in a strategy for sound investments in administrative and financial solutions. |
| What are the key objectives of the policy/standard? |
| Maximize use of enterprise IT solutions, shared services, and master contracts.  Reduce the number of disparate, agency-specific administrative and financial solutions.  Effective IT investments based on Enterprise Architecture standards and strategies. |
| How does policy/standard promote or support alignment with strategies? |
| The policy aligns with investment and enterprise architecture strategies in [RCW 43.105.265](https://app.leg.wa.gov/rcw/default.aspx?cite=43.105.265) , [RCW 43.105.205](https://app.leg.wa.gov/rcw/default.aspx?cite=43.105.205) , and [RCW 43.105.240](https://app.leg.wa.gov/rcw/default.aspx?cite=43.105.240). Additionally, the policy is in alignment with the OCIO Enterprise Technology Strategic Plan, which includes the following:   * Consolidate common technology and services. * Evaluate options for shared solutions across the state or business “ecosystems”. * Identify common business practices that can be supported by shared solutions. * Modernize infrastructure and applications. |
| What are the implementation considerations? |
| Agencies need to be aware that the thresholds that require notification to the OCIO for the Administrative and Financial System Investment Approval are lower and more focused than the thresholds for the IT Project Assessment.   * Where the IT Project Assessment requires notification of all IT projects regardless of functionality, the Administrative and Financial Systems Investment Approval applies only to those systems that meet administrative and financial functionality criteria. * Where the IT Project Assessment threshold for notification is $500,000 budget or 4 months in duration, the Administrative and Financial Systems Investment Approval thresholds are much lower and dependent upon availability of enterprise solution business capabilities.   These thresholds may change as functionality is made available in new enterprise systems. For example, as functionality is made available in the One Washington ERP solution, the thresholds may be reduced. Impacts from the threshold amounts to the evaluation and approval process will be monitored and adjusted as needed.  Additionally, a new investment request form will be published to accompany this policy. Agencies currently notify the OCIO of new IT projects using the IT Project Assessment request form. The intent of the ITPA form is to measure project risk by asking questions related to scope, schedule, budget, and project management with a “risk score” assigned to each answer. The new form asks questions related to the business processes and capabilities involved, whether the investment is in a new solution or an existing solution, and the interfaces to other systems that may be impacted by the investment.  The new investment form will co-exist with the ITPA form and they will link to each other so that agencies can complete both forms at the same time if needed. The OCIO is currently performing high-level analysis on ways to consolidate all input forms into a single portal to make the process more efficient for agencies. |
| How will we know if the policy is successful? |
| Reduction in agency administrative and financial “shadow” systems as reported in the Annual Application Portfolio Report.  Increased agency use of enterprise systems and shared services as reported by the enterprise business process and service owners.  Increased consolidation of IT system license and maintenance contracts as per annual reporting by the Department of Enterprise Services. |