



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
LANSING

RICK SNYDER  
GOVERNOR

JOHN E. NIXON, CPA  
DIRECTOR

July 23, 2012

Doug Ringler, Director  
Office of Internal Audit Services  
Office of the State Budget  
George W. Romney Building  
111 South Capitol, 6<sup>th</sup> Floor  
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the State Unified Information Technology Environment (SUITE) Project Management and Systems Development Controls Report for the Department of Technology, Management & Budget.

Questions regarding the attached summary table or corrective action plans should be directed to me.

Sincerely,

Signature Redacted

Michael R. Gilliland, Director  
Financial Services

Attachment

c: Rep. Chuck Moss, Chair, House Appropriations  
Senator Rodger Kahn, Chair, Senate Appropriations  
Melissa Schuiling, Office of the Auditor General  
Dennis Muchmore, Executive Office  
Dick Posthumus, Executive Office  
House Fiscal Agency  
Senate Fiscal Agency  
David Behen, DTMB  
Rick Lowe, DTMB  
Kurt Weiss, DTMB  
Matt Sweeney, DTMB  
Lynn Draschil, DTMB  
Diana Quintero, DTMB

Department of Technology, Management and Budget  
State Unified Information Technology Environment (SUITE) Project Management and  
Systems Development Controls  
October 1, 2004 through September 30, 2010

Summary of Agency Responses to Recommendations

1. Audit recommendations DTMB fully complied with: Finding #1, Finding #4
2. Audit recommendations DTMB agrees with and will comply: Finding #2, Finding #3
3. Audit recommendations DTMB disagrees with: None

Agency's plan to address the recommendations:

1. Audit Finding #1 - Resources

DTMB agrees with the recommendation and has fully complied:

With regard to part a., Effective October 1, 2010, SUITE transitioned from project to organizational mode and is now housed within the Enterprise Portfolio Management Office (EPMO), with dedicated staff. Prior to the transition to organizational mode, the SUITE project made significant progress by relying on the expertise of part-time, temporary staff throughout DTMB. During times of limited funding DTMB determined that this approach for staffing the SUITE initiative was most prudent.

With regard to part b., Effective January 1, 2011, DTMB established DCDS activity codes for members of the Software Engineering Process Group (SEPG) and Process and Product Quality Assurance (PPQA) team to record time devoted to these activities.

With regard to part c., DTMB has formally adopted an organizational structure that includes a Program Management Office (PMO) reporting to each Information Officer, a PMO reporting to the Infrastructure Services Director, as well as an Enterprise Portfolio Management Office (EPMO). The Civil Service Commission has approved this organizational structure and its related position descriptions. DTMB has filled all of the PMO Director positions, as well as most of the critical project manager positions.

With regard to part d., DTMB's PPQA team, staffed by part-time reviewers, has made significant progress since its inception in 2009. Dedicated staff housed in EPMO function as the PPQA Team Leader. Until additional funding is available,

PPQA will continue to conduct reviews by part-time staff, with guidance from a dedicated team leader.

With regard to part e., DTMB implemented an enterprise project and portfolio management tool in December 2010 that provides a central repository for all applications supported by DTMB. PMOs began using the tool in February 2011 to report status on high priority projects selected by DTMB executives and their client agencies.

2. Audit Finding #2 - Management Oversight

DTMB agrees with the recommendation. DTMB management has established and communicated its expectations to the PMOs regarding project quality reviews, including key data to be collected, the number and type of projects selected for reviews, and the target date for reviews. Further work remains on these goals for the PPQA team, with a target date set for August 30, 2012.

In addition, DTMB management will develop a CMMI appraisal strategy that includes a second SCAMPI C appraisal to verify that deficiencies identified during the SCAMPI C appraisal conducted in 2009 have been addressed. The appraisal strategy will also address the feasibility of a SCAMPI B or SCAMPI A appraisal. The appraisal strategy will be developed no later than August 30, 2012.

3. Audit Finding #3 - Organizational Training

DTMB agrees with the recommendation. The department has established training curriculums for project managers and system developers. DTMB is actively engaged in the development of an organizational training plan that incorporates SUITE project management and system engineering processes and the department is investigating alternative resources and approaches for developing the plan. The development of a comprehensive organizational training plan and developing methods for measuring training effectiveness is a large and complex effort with completion extending into fiscal year 2013.

4. Audit Finding #4 - Objectives

DTMB agrees with the recommendation and has fully complied. The department addressed the recommendation with the implementation of "Changepoint", an automated enterprise project and portfolio management (PPM) tool in late 2010. Monthly project status reporting is based on standard "stoplight" (green, yellow, and red) criteria for schedule, budget, and scope. Reports highlight issues for management attention and include corrective action plans when appropriate.