

## Cabinet and Governor Appointed Agencies' Performance Audit Action Item(s) & Status

### Pricing and Customer-Focused IT Services at WaTech

*(See also [cabinet agency response](#) for full context to Washington State Auditor's Office (SAO) [report](#), September, 2017)*

The Washington Technology Solutions (WaTech) and Office of Financial Management (OFM) were included for this performance audit.

SAO Conclusion:

SAO Issues Summary:

1. Customers do not believe WaTech consistently uses established venues to gather feedback.
2. Some WaTech services do not meet customer needs.
3. State agencies do not have sufficient information about their IT expenditures to be able to make informed management decisions about maintaining our purchasing new services.
4. Customers do not have easy access to billing information to confirm services charges.
5. Some WaTech services are not recovering their costs.
6. WaTech could not demonstrate it is offering all services at competitive prices.
7. Some WaTech services are not meeting requirements to address agency need, be self-sustaining and be competitively priced.

SAO Recommendations (Rec) Summary:

1. Work with customer agencies to determine how best to gather comments and feedback when implementing IT services.
2. Strengthen existing processes to ensure customer comment and feedback is considered as the agency develops, purchases and provides IT services. If customer suggestions are not incorporated, communicate the reasons why.
3. Ensure the cost components that make up services rates are readily available to customers.
4. Provide clarity to customers on what is included in the allocated costs and services.
5. Continue meeting with customers to ensure they can obtain necessary information from billing reports, and gather input on requirements for a new billing system.
6. Continue to develop plans to recover costs.
7. Periodically compare the cost of services to alternatives that meet customer needs.
8. Periodically review services considering sustainability, cost and agency needs to determine whether the services should be continued.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see the [cabinet agency response](#) for additional context and any additional steps already taken.

For an explanation of the columns below, [see the legend](#).

Issue / Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
1 & 2	Complete	During each customer interaction, make it a practice to ask agency customers for feedback and	WaTech	10/17	Yes	No	No	<b>March 2018:</b> All agency transactions (incidents and service requests) have a survey opportunity for feedback.

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		comments related to implementing IT Services.						Customer Symposiums for Cloud Highway, Logging & Monitoring, and Vulnerability Assessment were created to engage, partner, and collaborate with customers.
1 & 2	Complete	Train employees to strengthen documentation of feedback collected during customer interactions to include action plans and responses and strategy of how that feedback was considered.	WaTech	12/17	Yes	No	No	<b>March 2018:</b> We have established and trained service owners on the new implemented process that collects and documents feedback during customer transactions. All positive comments are directed to Service Owners. Negative comments are responded to within 24 hours by the service owners to improve or remedy the gap in service delivery. In addition: We are piloting the Net Promoter System for regularly collecting and integrating feedback in service improvements.
1 & 2	Complete	Follow up work sessions, symposiums, and trainings with a document to participants that asks for explicit suggestions and comments that will be reviewed and responded to by the organizer of those events and activities.	WaTech	10/17	Yes	No	No	<b>Jan 2018:</b> Customer Symposiums for Cloud Highway, Logging & Monitoring, and Vulnerability Assessment were created to engage, partner, and collaborate with customers.
1 & 2	Complete	Enhance existing Ticket Transaction Customer Survey to allow the customer further feedback mechanisms when they give a rating on the experience they had.	WaTech	10/17	Yes	No	No	<b>October 2017:</b> Thumbs Up/Down, with opportunity to provide reason and radial dial buttons on positive feedback opportunities.
1 & 2	Complete	Review the internal process of addressing customer suggestions for improvement (captured from Ticket Transaction Customer Surveys) to ensure managers are responding to the suggestions.	WaTech	1/18	Yes	No	No	<b>March 2018:</b> staff training in place negative feedback tickets are reviewed and responded to within 24 hours. Positive responses are reviewed monthly.
1 & 2	Complete	Complete the next annual Customer Survey.	WaTech	5/18	Yes	Yes	No	<b>July 2018:</b> Survey is complete and recommendations have been received. Next phase is to review recommendations and select action items to move forward with.

Issue / Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
1 & 2	Complete	Create a process to collaborate and validate with customers regarding service strategies to collect feedback and have symposiums so agencies can hear each other's feedback.	WaTech	3/18	Yes	No	No	<b>Jan 2018:</b> Customer Symposiums for Cloud Highway, Logging & Monitoring, and Vulnerability Assessment were created to engage, partner, and collaborate with customers
3	Complete	Create annual Rate Plan and publish	WaTech	<del>5/18</del> 8/18	Yes	No	No	<b>April 2018:</b> Per OFM will occur after the Gartner Report is released in May <b>May 2018:</b> On Schedule for after Garter report is released. <b>July 2018:</b> Waiting on final Gartner report and decisions related to recommendations. <b>Dec 2018:</b> Submitted to OFM, will review in Jan 2018 w/OFM. <b>Jan 2019:</b> At OFM for review. Complete.
3	Complete	Participate in Rate Day 2018.	WaTech	6/18	Yes	No	No	<b>April 2018:</b> Scheduled for June 2018. <b>May 2018:</b> On schedule. <b>June 2018:</b> Completed in June rate day
3, 5, 7, 8	Complete	Complete the Zero-Based Budget Review with outside consultant.	WaTech	<del>5/18</del> 6/18	No	Yes	Yes	<b>April 2018: On target for May 2018.</b> <b>May 2018: On target for June 2018.</b> <b>June 2018: Review has been completed and analysis and recommendations received.</b>
3	Complete	Complete Service Catalog with cost components.	WaTech	<del>8/18</del> 6/20	Yes	No	No	<b>Mar 2018:</b> A template has been created for Services posted on the WaTech website which includes a section called "Fees for Services" that identifies the costs components of each service. All new services will use this template. Older service will be migrated. <b>May 2018:</b> On schedule. <b>Dec 2018:</b> In progress – part of ZBBR Review. <b>Jan 2019:</b> In progress – part of ZBBR Review. <b>June 2019:</b> In progress – work continues. <b>September 2020:</b> Costs are available for WaTech services and are being built into our ITSM processes (strategy, design, and change management) for further clarity.

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4	Complete	Complete the biennial allocation building process for the 19-21 biennium.	WaTech	8/18	Yes	No	No	<b>April 2018:</b> Preliminary work started with Exec Team, Kick off scheduled for May 1 <sup>st</sup> . <b>May 2018:</b> On schedule. <b>July 2018:</b> On schedule. <b>Dec 2018:</b> Complete.
4	Complete	Communicate results of the biennial allocation building process for the 19-21 biennium with customers.	WaTech	6/19	Yes	No	No	<b>Jan 2019:</b> As results from session become clear, information will be shared. <b>June 2019:</b> Complete.
4	Complete	Finalize remaining allocation page.	WaTech	10/17	Yes	No	No	<b>April 2018:</b> All but OCIO has been updated.
4	Complete	Send communication to customers announcing changes to allocation pages on the WaTech Billing Website.	WaTech	10/17	Yes	No	No	<b>April 2018:</b> Communications sent as updates happen.
5	Complete	Secure funding for Modernization Project Plan.	WaTech	<del>6/18</del> 6/19	No	Yes	No	<b>April 2018:</b> Contracts, procurements, billing, asset management. Meeting scheduled w/OneWA and OCIO. <b>May 2018:</b> On schedule. <b>July 2018:</b> On schedule <b>Dec 2018:</b> Continue to evaluate internal spend. <b>Jan 2019:</b> Continue to evaluate internal spend. <b>June 2019:</b> Did not receive funding. Complete.
5	Complete	Hold another invoice training for Customer Account Managers.	WaTech	10/17	Yes	No	No	<b>April 2018:</b> Will schedule for May/June. <b>May 2018:</b> Will schedule for June. <b>July 2018:</b> Will schedule for August. <b>Sept 2018:</b> Will reach out to discuss with CAMS to determine if this is still relevant. <b>Oct 2018:</b> Complete.
6	Complete	Continue work with OFM and the Governor's office on an overall agency business plan that will balance revenues and costs.	WaTech	10/17	Yes	No	No	<b>April 2018:</b> Continue to monitor.
6	Complete	Review all lines of business to become cost recoverable.	WaTech	6/20	Yes	No	No	<b>March 2018:</b> Review began in 2017 of each line of business that developed a business and financial strategy plan. This discipline is reviewed on monthly

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								<p>basis with the service owners and the Exec team. We have also engaged Gartner in February 2018 to conduct a zero based budget review.</p> <p><b>April 2018:</b> Internal review has been completed.</p> <p><b>May 2018:</b> Biennial budget process involves asking for DPs and rate adjustments to become cost recoverable. The request will complete this action item.</p> <p><b>July 2018:</b> Gartner report being analyzed and appropriate DPs will be submitted.</p> <p><b>Dec 2018:</b> Ongoing, part of ZBBR Review.</p> <p><b>Jan 2019:</b> Ongoing, part of ZBBR Review.</p> <p><b>June 2019:</b> Ongoing.</p> <p><b>September 2020:</b> LOB have been and are reviewed as part of the agency spending plan activities; further, this is being built into our ITSM processes (strategy, design, and change management)</p>
6	Complete	Ensure proposed rates recover costs as part of annual rates develop process.	WaTech	5/18	Yes	No	No	<p><b>April 2018:</b> Completed when the Gartner work is completed.</p> <p><b>July 2018:</b> Gartner report being analyzed and appropriate DPs will be submitted.</p> <p><b>Dec 2018:</b> Refer to 19, part of ongoing process.</p>
7 & 8	Complete	Enhance the Service Strategy Meeting process to include documenting cost comparison analysis.	WaTech	3/18	Yes	No	No	<p><b>Mar 2018:</b> The Service Catalog process now includes an action item to “Identify market rates for similar services” as part of the process for each new service going through the process. This activity is sequenced before meeting with Finance to inform the rate setting and price modeling activity</p>
7 & 8	Complete	Modify the Quarterly Service Performance Review to include a comparison of like services and cost models as appropriate on an annual basis.	WaTech	<del>3/18</del> 5/18	Yes	No	No	<p><b>March 2018:</b> will baseline to the Gartner zero based budget review.</p> <p><b>May 2018:</b> Ops service owners have an expectation to include this in the quarterly reviews. Which has been communicated to them.</p>
7 & 8	Complete	Explore elevating the Quarterly Service Performance Reviews to the	WaTech	<del>1/18</del> 5/18	Yes	No	No	<p><b>April 2018:</b> Will discuss at April Exec Team.</p> <p><b>May 2018:</b> Discussed at Exec Team, determined the Dashboard will be the performance indicators that will</p>

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		Executive Team Level on a quarterly or semi-annual basis.						be reviewed on a quarterly basis. Exec Team is invited to service owner presentations.