



Office of the State Comptroller

Executive Correspondence

ACTION REQUIRED:
APPROP. ATTN/INFO

Control Number: 19990739

Correspondent's Name and Address:

Johnson, John
52 Washington Street

Rensselaer, NY
12144-2796

Organization: New York State Office of Children & Family Services

Subject: response to recommendations made in audit report 97-S-68

Date of Correspondence: 03/18/99

Routed To: Mr. Attmore

Date Routed: 03/22/99

CC To.

OFFICE OF THE STATE COMPTROLLER

MAR 22 1999

ROBERT H. ATTMORE
DEPUTY COMPTROLLER



JOHN.PDF



New York State
Office of
Children & Family
Services

George E. Pataki
Governor

John A. Johnson
Commissioner

Capital View Office Park

52 Washington Street
Rensselaer, NY 12144-2796



An Equal Opportunity Employer

STATE COMPTROLLER
MARCH 18 1999

March 18, 1999

Honorable H. Carl McCall
State Comptroller
A.E. Smith State Office Building
Albany, NY 12236

OFFICE OF THE STATE COMPTROLLER

MAR 22 1999

Re: OSC Audit #97-S-68
CONNECTIONS

ROBERT H. ATTMORE
DEPUTY COMPTROLLER

Dear Mr. McCall:

The Office of Children and Family Services (OCFS) is in general agreement with the recommendations contained within audit report 97-S-68, Development of The Connection Systems Supporting Child Welfare Services.

The CONNECTIONS project represents one of the largest information technology projects ever undertaken by any state agency. As noted in the Audit Report, "CONNECTIONS is the largest network installation of its type in the world."

OCFS believes the findings and recommendations contained in the audit report can serve as a useful starting point for initiating significant changes in the manner in which the CONNECTIONS project is further developed and managed. Many of the changes recommended have already been implemented.

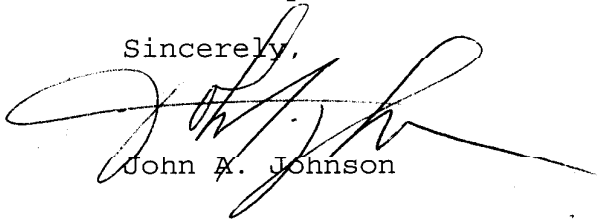
The audit report reveals the negative implications of failing to adequately engage system stakeholders and not developing the appropriate management infrastructure. We agree that both of these steps must be taken if the project is to be successful.

As is made clear in the enclosed, detailed response to the audit report, we have put in place a process that appropriately and actively engages all system stakeholders in the full range of project activities. For example, we have expanded membership on the Project Steering Committee to include representatives of all major stakeholder groups. We have also established a project management structure that will enable us to

better focus on accountability, quality assurance and adherence to fiscally sound practices and procedures. Consistent with the recommendations made in the report, we have implemented a more rigorous process for reviewing, approving and monitoring all change order activities.

The continued and successful implementation of the CONNECTIONS system will require nothing less than the full cooperation and commitment of all involved. We welcome the opportunity to work with the Office of the State Comptroller in this critical undertaking.

Sincerely,

A handwritten signature in black ink, appearing to read 'John A. Johnson', written over a horizontal line.

John A. Johnson

**Response to OSC Audit #97-S-68
"Development of the Connections System"**

The Office of Children and Family Services (OCFS) is in general agreement with the recommendations contained within final audit report 97-S-68, Development of The Connection System Supporting Child Welfare Services.

As noted in the Audit Report, "CONNECTIONS is the largest network installation of its type in the world." As indicated in Commissioner Johnson's cover letter, the agency intends to comply substantially with the audit recommendations. Many of the changes recommended have already been implemented. From user input to administrative procedures, the OCFS has moved quickly to enhance the capacity of the CONNECTIONS project to achieve the goals that have been established for it. Provided below is the OCFS response to each of the two recommendations contained in the audit report. Additionally, provided in Appendix A is the agency's response to specific statements contained in the audit.

RESPONSE TO RECOMMENDATIONS

1. **Convene major CONNECTIONS system stakeholders (including representatives from the Division of the Budget, local social services districts, the New York City Administration for Children's Services, and not-for-profit service providers) for the purpose of determining the long and short-term actions needed to ensure that the system is successfully implemented. Until these decisions are made, consider suspending any significant further development or commitment of resources to CONNECTIONS.**

As a result of involving the "major CONNECTIONS stakeholders", it has become clear that the agency must proceed with the project. To discontinue it would present an undue risk of compromising New York State's child welfare system and the possibility that the federal government would seek to recover its share of project funding.

Among the specific actions taken by OCFS since taking over responsibility for the CONNECTIONS system project are:

- a. Adding additional local districts and the New York City Administration for Children's Services (ACS) to the existing Steering Committee. This committee meets every other week in Albany to discuss and resolve the significant issues raised by the districts and voluntary agencies.
- b. Establishing a Management Committee, which meets every other week to discuss and resolve system and programmatic issues. This committee is comprised of staff from Andersen

Consulting (AC), IBM, local district and state personnel from HSASC (Human Services Application Services Center) and OCFS who have day-to-day responsibility for the project. Local district staff are welcome to attend these sessions.

- c. Convening bi-weekly meetings involving the Director of the Human Services Application Service Center (HSASC), the Director of Strategic Planning and Policy Development within the OCFS, the on-site partner for Anderson Consulting and senior project staff. The purpose of these meetings is to resolve outstanding project issues, review current operations and monitor project progress against established timelines.

In sum, our CONNECTIONS management team has moved quickly to undertake multiple targeted activities to address identified concerns with regard to the system's "release" segments referred to in the audit. Appendix B provides a detailed listing of all meetings convened with the user community and other stakeholders.

2. **If a decision is made to continue development of the CONNECTIONS system, improve controls over change orders by:**
 - **formally evaluating the need for the goods and services obtained through change orders, considering possible alternatives for meeting this need, and documenting why one alternative is preferable to the others,**
 - **formally evaluating the prices charged in change orders to ensure that they are fair,**
 - **ensuring that payments are not made under change orders for services covered by the original contract, and**
 - **formally determining that the goods and services obtained through change orders meet expectations before authorizing payments.**

As can be seen from the information presented above, the CONNECTIONS user community has an integral role in evaluating the operational status of each component of the application, identifying the application's problem areas and the proposed solutions. The agency has used, and will continue to use, the services of the HSASC to provide us with the technical resources to review proposed solutions and to verify the scope, timetable and cost estimates developed by Andersen Consulting. OCFS will also use the HSASC to verify the scope of the contract and assist us in ensuring that payments are made only for those work items that constitute redesign or enhancements to existing functionality.

OCFS recognizes the shortcomings of the change order process followed in the early stages of the project and has drafted procedures which will apply a consistent review process and management oversight to each change item, establish appropriate cost and scope controls, improve documentation and assure the quality of deliverables. OCFS will use the technical resources of the HSASC to review the solutions, scope, schedule, and cost estimates proposed by the consultants and assist OCFS' review of the contract scope to ensure that the work item is, in fact, a valid change item and not a deliverable under the existing contract.

SUMMARY

The Office of Children and Family Services is in agreement with the recommendations contained in the audit. We have already taken steps to implement many of the suggested recommendations before the audit issuance. Commissioner Johnson has maintained an unyielding commitment to moving forward in a manner that is responsive to the user community, that requires accountability among all parties engaged in the project and is fiscally sound. While the scope and breadth of this undertaking is unlike any other the child welfare system in New York has engaged in, the Commissioner and OCFS staff firmly believe that, when fully implemented, will improve services for the children, youth and families of New York State.

APPENDIX A

OCFS RESPONSE TO SPECIFIC STATEMENTS INCLUDED IN THE OSC AUDIT REPORT

IMPLEMENTATION of the CONNECTIONS SYSTEM (page 4)

The report states: "In particular we found that system users were not adequately involved in the testing of the system."

Notwithstanding the processes that were put in place prior to OCFS' assuming responsibility for the project, OCFS testing for all remaining components will be structured according to SDLC guidelines and no component will be released to the user community for either evaluation or implementation until it has passed internal tests. Future customer acceptance tests will include individual component testing, a "walk through test", complete written specifications, and the developer test plan and results. Beyond this individual component testing, all components will be put through fully integrated test scenarios with both new and converted case data, as well as with all appropriate Legacy interfaces before release to the user community.

The agency will also employ an "end-to-end test plan" to operate newly developed/modified systems applications in the context of the prevailing end user requirements. The "end-to-end" test plan is currently under development by OCFS test staff and will involve user community test environments and test materials.

SYSTEM PLANNING (page 5)

The report states: "OCFS does not formally compare system development activities against a project schedule... and they cannot provide us with a revised schedule showing when Release 4 will be completed."

Because of our engagement of the user community in all project activities, OCFS has refrained from developing detailed project schedules until such time as we have achieved user community consensus on issues and solutions. It has been and will continue to be OCFS' intention to develop a detailed implementation schedule for all system development activities once a broad consensus has been obtained.

SYSTEM DESIGN (page 6)

The report states: "...because of ineffective system design, CONNECTIONS routinely loses child abuse hotline information."

OCFS takes exception to this statement. A review of the records for narrative Intake tickets indicates that every intake report

that was entered was capable of providing the necessary information to support the follow-up investigation. While the agency acknowledges the incidents where duplicate manual records were necessary, this approach is part of the fail-safe system to ensure that the intake report information is always available to support the follow-up investigation and prevent a reported incident from being lost. In cases where a portion of the intake data appeared to have been lost, OCFS has been able to retrieve the information through technical measures. Incidents involving Microsoft WORD software anomalies (portion of narratives temporarily lost) have now been almost entirely eliminated. We are continuing to work with the consultant to correct the problems completely.

SYSTEMS DEVELOPMENT AND IMPLEMENTATION (page 7)

The report states: "We found inadequate system design tests and the Andersen Consulting testing was found to be deficient for user acceptance tests."

As was indicated previously, OCFS testing for the remaining components will be structured according to SDLC guidelines and no components will be released to the user community for either evaluation or implementation until it has passed a full test protocol in-house. Future customer acceptance tests will include individual component testing, a "walk through test", complete written specifications and the developer test plan and results. Beyond this individual component testing, all components will be put through fully integrated test scenarios with both new and converted case data as well as with all appropriate Legacy interfaces before release to the user community.

The agency also intends to employ an "end-to-end" test plan, the purpose being to rigorously operate newly developed/modified systems applications in the context of the prevailing end user requirements. The "end-to-end" test plan is currently under development by OCFS test staff and will involve user community test environments and test materials.

APPENDIX B

LIST OF MEETINGS WITH USER COMMUNITY RELATING TO RELEASES 2, 3, and 4

Release 2:

- In February, 1998, OCFS staff initiated a series of meetings with representatives of twelve (12) local districts and ACS to review Release 2 and identify critical issues. In March, a working group of district representatives and ACS convened to develop solutions to the critical design issues. The Policy Review Panel, consisting of local districts and ACS, with support from OCFS, AC and the States' central system support, the Human Services Application Services Center (HSASC), met on April 16th to establish the priorities for the identified solutions.
- One significant issue, Person Search functionality, was identified at the February meeting, and at subsequent site visits to Onondaga, Erie, Monroe and the City of New York (ACS). In March, a special focus group composed of representatives from each of the districts, OCFS and the HSASC met in Albany for a detailed review of the person search issues. As a result of these meetings, HSASC provided the technical design to OCFS and reviewed the Andersen Consulting proposals to determine validity of scope, timetable, and cost estimates for the proposed Release 2 solutions.
- Teams have completed Requirements documents (definition of user needs) for most of the priority areas established by the Policy Review Panel. We are in the process of developing schedules in these areas for the design testing, and implementation.

Release 3:

- In April, 1998 a group consisting of eleven (11) districts and three (3) voluntary (not-for-profit) agencies met in Albany to discuss the Release 3 critical issues and develop documentation detailing these issues. A sub-group of representatives from this meeting, consisting of 6 (six) districts and 2 (two) voluntary agencies, reconvened in Albany to develop proposed solutions to the issues raised at the earlier meeting. The results of the above efforts (Release 3 Change Descriptions) were submitted to Andersen Consulting for scope, timetable and cost estimates. These were then submitted to the HSASC for verification of Andersen Consulting's scope, timetable and cost estimates.

- o The Release 3 Change Descriptions, scope and cost estimates have been submitted to the Policy Review Panel for priority ranking of the proposed solutions.

Release 4:

- o In April, 1998 a group of twenty-one (21) districts and voluntary agencies met in Albany to define the critical case management design changes required for Release 4. As some of the participants had not been involved in an earlier Release 4 field test and as the complexity of Release 4 (over 96 windows/screens) significantly exceeds earlier releases, an expanded field evaluation was deemed necessary to allow for meaningful user input. An expanded "field evaluation" was therefore conducted with twenty-one (21) districts and voluntary agencies to evaluate Release 4 Case Management components. This field test focused on evaluation criteria that specifically dealt with several issues identified in the audit, (i.e. Is this component necessary or required? Is it useful? Does it add value in supporting work? Does it support good casework and supervisory practices? What needs to be modified to make each required component function effectively and efficiently?). Field evaluators convened on May 12th to begin the identification of critical areas and prioritization process.
- o A separate Release 4 fiscal "field evaluation" commenced in August with a subset of five (5) districts and a number of voluntary agencies. Note there is considerable overlap and interdependencies between the case management and fiscal components. All program and fiscal participants will convene in Albany in October, 1998 to identify critical design changes. OCFS is completing the field evaluation process and will convene all participants (districts, voluntary agencies, Andersen Consulting, HSASC, OCFS, Policy Review Panel) in a process similar to that followed for Releases 2 and 3. The Release 4 process will accommodate the fact that while Release 2 and 3 are operational, Release 4 is not currently operational.

These activities were presented in detail to highlight the efforts and impact OCFS has made in engaging the "major system stakeholders" since assuming responsibility for CONNECTIONS. We will continue to engage stakeholders in all efforts to resolve the key issues which have, thus far, precluded the ultimate success of the CONNECTIONS project.

APPENDIX C

CHANGE ORDER REVIEW AND APPROVAL PROCEDURE

Using the changes required in R2 as a hypothetical example, the following steps and procedures will be utilized in reviewing all project change orders:

1. Contract Amendment for 30 R2 Priority Issues is in place.
2. Project teams will be assigned by project management (OCFS, AC, HSASC) and user lead will be identified, including tech lead and advisory county liaisons. The involvement of advisory counties throughout the development of the project will insure that the delivered product meets expectations.
3. Each project will be initiated by OCFS and HSASC Management. Project initiation will define which Modification items are included in the project and the total project costs estimate.
4. All contractor and state development costs are tracked to the project budget.
 - Development Costs (state and Andersen Consulting assigned staff, excludes observers) may not exceed original proposal.
 - If state staff are assigned to the project this will reduce the Andersen Consulting project billable cost and pro-rated % of Admin cost.
 - This cost reduction is banked and will be used by OCFS management (Deputy Commissioner for Administration & Planning and Policy Development) to cover other CONNECTIONS project shortfalls.
5. Any cost increase in project estimate must be approved by OCFS management, as follows:
 - If final requirements result in a cost estimate increases of 5% or more, the proposal must go to OCFS for approval. Documentation of reason for change must be included. For example, if a cost item was missed in the original estimate, if SIR(s) are added to the requirement, a change in project scope, or any other problem is encountered, the details of the change and the projected increase must be sent to OCFS for approval.
 - If development or construction costs estimate increases the final requirement estimate approved by OCFS management, the project must be re-submitted for approval to OCFS management.
6. All issues will be tracked in the "Issues Data Base" to insure efficient resolution.

7. Testing, training and implementation plans will be developed for each project during the logical design phase.