

**PROGRESS REPORT ON
COMMONWEALTH DATA STANDARDS**

MAY 2012



EXECUTIVE SUMMARY

The Commonwealth could spend between \$3.5 million to \$4.5 million to independently develop data standards on four major systems development projects, because the Commonwealth has not adopted common data standards, as estimated by our audit work. These four projects, with their combined budget of over \$87 million, represent a large investment of Commonwealth resources, and this effort of continuing to have each project define the data needs of these common business areas is duplicative and inefficient.

The Secretaries of Administration, Finance, and Technology, and the Chief Information Officer should use the electronic Health and Human Resources Program (eHHR) model to develop data standards for the Commonwealth's most fundamental operations, such as:

- the collection of taxes,
- payment to recipients, vendors, and employees,
- management of human resources; and,
- other back office operations.

Benefits will accrue to all of state government with the development and use of data standards.

The success of the eHHR Program shows that with appropriate resources and commitment by management at the Secretarial level; the Commonwealth can develop and implement data standards. Data standards improve current operations in the delivery of benefits and the reduction of risk, and also set the ground work for reducing future system development costs.

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	
AUDIT REPORT	1-14
Background	1-2
Audit Objectives and Methodology	2
Data Standard Requirements	2-4
Data Standards Authority and Responsibility	5-6
How the Enterprise Information Architecture Framework Works	6-7
Identifying Opportunities to Enforce Compliance with Data Standards	7-10
Enforcing Compliance with Data Standards	10-12
Data Standard Accomplishments	12-14
APPENDIX 1 - eHHR Program	15
TRANSMITTAL LETTER	16
AGENCY RESPONSE	17-18
RESPONSIBLE OFFICIALS	19

BACKGROUND

In November 2009, we issued our first report on the Commonwealth's progress in developing enterprise data standards for seven specific business areas as required by the Appropriation Act (Act). Our report, *Enterprise Data Standards Progress Report*, is on our website at <http://www.apa.virginia.gov/reports/DataStandardsSR09.pdf>.

Prior Report Recommendations

Our report discussed the importance of data standards in the Commonwealth and ultimately concluded that no approved data standards existed for any of the seven specific business areas. We noted that delays would likely continue primarily because there was no schedule, limited resources, lack of prioritization, and confusion over leadership. Our report included four key actions to implement our audit recommendations.

1. Prepare a detailed work schedule for each data standard area and receive agency resource commitments.
2. Prioritize staff and emphasize data standards projects.
3. Communicate expectations regarding data standards and prioritize projects.
4. Discuss leadership and authority over data standards and seek modification of the Code of Virginia and Act, if reasonable, to properly describe authority.

Twenty-eight months have passed since our last progress report and the Commonwealth has approved data standards for two of the seven specific business areas set forth in the Act. All seven business areas should have had approved standards by July 1, 2010; however, we cannot determine when the Commonwealth will complete the remaining five business areas.

The Commonwealth has made significant progress under the eHHR Program in developing required data standards to support system changes for Medicaid Reform by October 2013, but these data standards do not deal with the business areas in the Act. eHHR data standards have achieved success primarily due to the following factors:

- Data standards guided by the Commonwealth's Health IT Standards Advisory Committee.
- Active agency involvement through data stewards and other stakeholders.
- Monitored schedules to ensure groups meet work deadlines.
- Committed staffing resources and funding are available.
- Strong leadership by the Secretary of Health and Human Resources.
- Team commitment to meet the Medicaid Reform deadline.

Current Report Recommendations

The factors which led to eHHR data standards success continue to be absent with the enterprise data standards work and, as described in our prior report, we again recommend the following four key actions.

1. Prepare a detailed work schedule for each data standard area, set deadlines to monitor accomplishments, and receive resource commitments.(Data Manager)
2. Prioritize staff and emphasize data standards projects.(Chief Information Officer)
3. Communicate expectations regarding data standards, prioritize projects, and provide resources.(Chief Information Officer and Secretary of Technology)
4. Resolve leadership and authority confusion over data standards and seek modification of the Code of Virginia and Act, if reasonable, to properly describe authority.(Chief Information Officer and Secretary of Technology)

Audit Objectives and Methodology

The purpose of this audit is to review and report on the Commonwealth's progress in developing enterprise data standards. Our audit focuses on progress relative to the seven business areas outlined in the Act, Chapters 879 and 890, and also follows up on the schedule, resources, prioritization, and leadership concerns noted in our November 2009 report.

In performing our audit, we reviewed all data management framework documents, reviewed documents and data standards on the Virginia Information Technologies Agency (VITA) website, and held discussions with the Commonwealth Data Governance Service Lead.

Data Standard Requirements

Data standards promote the efficient sharing of information among entities. The standards are documented agreements on representations, formats, and definitions of common data. The use of common data standards fosters consistent data and provides access to more meaningful information. Data standards can also reduce future system development costs, since development teams do not duplicate efforts to define common data.

The Appropriation Act, Chapter 890, requires the Departments of General Services, Treasury, Human Resource Management, Planning and Budget, and Accounts to provide the Chief Information Officer (CIO) and the Department of Transportation with data standards by July 1, 2010. The Act calls for the Secretary of Technology (Secretary) to approve the data standards and for agencies to use the data standards for all new information systems implementation projects including, but not limited to, Commonwealth enterprise application initiatives.

Chapter 879 of the Appropriation Act originally established an October 1, 2008, deadline to have these data standards finalized, but Chapter 890 changed the date to July 1, 2010. The deadline was set to ensure defined data standards were available when the Commonwealth's new financial management system, Cardinal, and Performance Budgeting system needed them. The Act outlined seven minimum business areas that require data standards.

- Vendor tables
- Receiving information
- Invoice information
- Purchase information including commodity codes
- Agency identification information
- Chart of Accounts
- State employee identification information

As of March, 2012, there are two adopted data standards (state employee identification information and vendor tables) and one data standard on hold (chart of accounts) that relate to the seven business areas above. The remaining four business areas have no work accomplishment to date, and we do not know when the Secretary will adopt the chart of accounts data standard.

To realize the impact of not having adopted enterprise data standards, we selected four active projects to review. We gained an understanding of the project objectives to determine those data standards each project could have used based on the seven minimum business areas outlined in the Act. Chart 1 below shows which data standards each of these four active projects may have implemented if all seven business areas were complete

Chart 1

Agency	Project Name	Dollar Value	Applicable Data Standard
Department of Transportation	Cardinal Project	\$58,337,353	<ul style="list-style-type: none"> ● Vendor tables ● Employee Information ○ Chart of Accounts ❖ Receiving Information ❖ Invoice Information ❖ Purchase information ❖ Agency ID information
Department of Human Resource Management	Time, Attendance, and Leave	\$951,585	<ul style="list-style-type: none"> ● Employee Information ○ Chart of Accounts ❖ Agency ID information
Virginia Employment Commission	Financial Management System	\$4,734,900	<ul style="list-style-type: none"> ● Vendor tables ● Employee Information ○ Chart of Accounts ❖ Receiving Information ❖ Invoice Information ❖ Purchase information ❖ Agency ID information
Department of Corrections	Virginia CORIS Program	\$23,093,458	<ul style="list-style-type: none"> ● Employee Information ❖ Agency ID information

Legend:

● - Adopted ○ - On Hold ❖ - Not created

The projects in Chart 1 total over \$87 million dollars and represent a large investment of Commonwealth resources. Without approved data standards, each project must independently consider these business areas and decide their own standard. The Cardinal project alone spent about

5,500 hours working on vendor tables and chart of accounts data standards. We extrapolated this effort to all four projects based on the standards they will need to address and estimated they will spend \$3.5 million to \$4.5 million combined to do work in these common business areas. This effort is duplicative and inefficient.

The Cardinal project was able to use the adopted employee information standard, reducing their effort in this area and incurring nominal costs since the data standard existed. However, the Secretary of Technology had not adopted vendor information and chart of accounts standards in time for Cardinal, so the project team spent significant resources determining the standard for this area.

Since there are only two adopted data standards, these projects will not have standardized data in all seven business areas. This may make it difficult to share or analyze data across these agencies, and it may cost them more money in the future to conform them to adopted data standards. The Commonwealth must develop enterprise data standards timely so agencies can use them on current projects.

Recommendation 1

The Secretary should make developing data standards for the remaining business areas a priority. The Secretary should require the CIO and VITA to develop a plan and timeline to complete each of the remaining data standards and hold them accountable for meeting their timeline.

Recommendation 2

To expedite the data standards process and save money, we recommend the Secretary, CIO, and VITA review Cardinal's data standards for each of the seven business areas and evaluate whether the Commonwealth should adopt them as the enterprise data standard.

Data Standards Authority and Responsibility

To understand who has authority and responsibility for data standards beyond those defined in the Act, we reviewed the Code of Virginia and found it assigns statutory authority to the Secretary, CIO, and VITA. Chart 2 describes the roles and responsibilities of each official.

Chart 2

Position	Code of Virginia
Secretary of Technology	§ 2.2-225 Review and approve statewide technical and data standards for information technology and related systems, including the utilization of nationally recognized technical and data standards for health information technology systems or software purchased by a state agency of the Commonwealth, as recommended by the CIO pursuant to § 2.2-2007.
Chief Information Technology Officer (CIO)	§ 2.2-2007 Develop and recommend to the Secretary statewide technical and data standards for information technology and related systems, including the utilization of nationally recognized technical and data standards for health information technology systems or software purchased by a state agency of the Commonwealth.
Virginia Information Technologies Agency (VITA)	<p>§ 2.2-1115.1 The Division, the Virginia Information Technologies Agency, and the State Comptroller shall develop and maintain data standards for use by all agencies and institutions for payments and purchases of goods and services pursuant to § 2.2-1115 and 2.2-2012. Such standards shall include at a minimum the vendor number, name, address, and tax identification number; commodity code, order number, invoice number, and receipt information; and other information necessary to appropriately and consistently identify all suppliers of goods, commodities, and other services to the Commonwealth. The Division, the Virginia Information Technologies Agency, and the State Comptroller shall annually review and update these standards to provide the Commonwealth information to monitor all procurement of goods and services and to implement adequate controls to pay only authorized providers of goods and services to the Commonwealth.</p> <p>The Division and the Virginia Information Technologies Agency shall submit these standards to the Information Technology Advisory Council in accordance with § 2.2-2699.6 for review as statewide technical and data standards for information technology.</p> <p>§ 2.2-2010 Develop statewide technical and data standards for information technology and related systems to promote efficiency and uniformity.</p>

To address the Appropriation Act and fulfill their Code of Virginia responsibilities VITA began creating a framework in 2008 to establish a repeatable process for setting data standards, referred to as the Enterprise Information Architecture Framework. The framework is currently set in the following four documents.

Chart 3

Document	Status	Last Updated
Data Management Program	Final	January 2009
Data Strategy	Under Development	July 2009
Data Standardization Process	Final	October 2009
Health Information Technology Standards Advisory Committee (HITSAC) Governance Framework	Draft	May 2011

Each framework document details objectives and processes; however, most of these documents are out of date. The Data Management Program, Data Strategy, and Data Standardization Process documents reference old positions and groups such as the Chief Application Officer, the Virginia Enterprise Applications Program, and the Information Technology Investment Board, all of which no longer exist.

Recommendation 3

VITA should update the Information Architecture framework documents to reflect the current work effort and processes for establishing data standards.

How the Enterprise Information Architecture Framework Works

The framework defines a collaborative effort between agencies and VITA, requiring agencies to initiate and develop standards while VITA supports the development and adoption of those standards. Specifically, if an agency is implementing a new system or enhancement and determines the need for a new enterprise data standard, the framework calls for that agency to initiate and develop the data standard. VITA's role is to facilitate the data standard creation process by conducting research on existing standards, coordinating data steward input, managing the process of public comment, and packaging the standard for final adoption by the CIO and Secretary.

Once the data standard is complete, it goes through an approval process, and VITA maintains the standard in the data standards repository. The data standards repository is a collection of all proposed and approved Commonwealth data standards agencies can access. The framework requires agencies to review all approved data standards and do the following.

- Assess their existing processes and applications and define migration strategies to comply with data standards.
- Determine the potential impact of implementing existing data standards when executing a new project or major enhancement.

- Ensure that any request for proposal, request for information, invitation for bid, and contracts that concern IT software solutions contain text that requires that solution to comply with data standards.

We are concerned that the framework's design assigns responsibility for initiating and creating data standards with agencies, even though the Code of Virginia gives this responsibility to VITA. Additionally, we are concerned that the framework also does not assign a specific entity as being responsible for creating the data standards for the seven business areas prescribed in the Act.

Although it is important to allow agencies the ability to propose data standards, agencies will likely not come forward with new data standard proposals if they must take on responsibility for developing them. Instead, agencies are likely to avoid proposing enterprise data standards and instead set their own data standards to best meet their needs, making it nearly impossible to share standardized data across agencies.

In addition, the current framework process gives no incentive for agencies to create and develop statewide data standards. Rather, it creates a burden on agencies because they must allocate resources to complete the data standard, resulting in increased costs and additional work for the agency.

Recommendation 4

The Code of Virginia gives VITA the authority to develop data standards but the current Information Architecture framework transfers this authority and responsibility to agencies. VITA should redesign the framework to give themselves the authority and responsibility to identify and develop data standards because agencies will not likely volunteer to complete them, especially without sufficient resources to do so. VITA should create a plan that shows the number of resources necessary to assume leadership for data standards to fulfill their statutory responsibilities and work with the Secretary of Technology and Governor's Office to obtain them.

Identifying Opportunities to Enforce Compliance with Data Standards

We reviewed processes used by VITA and agencies to identify data standards during the project development process. Early identification of opportunities by agencies and VITA is critical to streamline the process of implementing data standards. It is also important to enforce compliance with data standards to ensure agencies successfully implement them.

During the Agency Project Planning phase, VITA's Project Management Division (PMD) and IT Investment Management Division (ITIM) are the most appropriate groups to identify opportunities to use and enforce compliance with existing data standards. The ITIM group reviews agency strategic plans, assesses information technology investments, and recommends various approvals to the CIO including investment business cases. The PMD provides consultation and oversight to agencies on IT projects and procurements, from project initiation approval through project closeout. PMD analysts ensure compliance with Commonwealth IT project management policies, standards, and guidelines, and make recommendations to the CIO for agency procurement requests, requests for proposal, and contracts associated with projects.

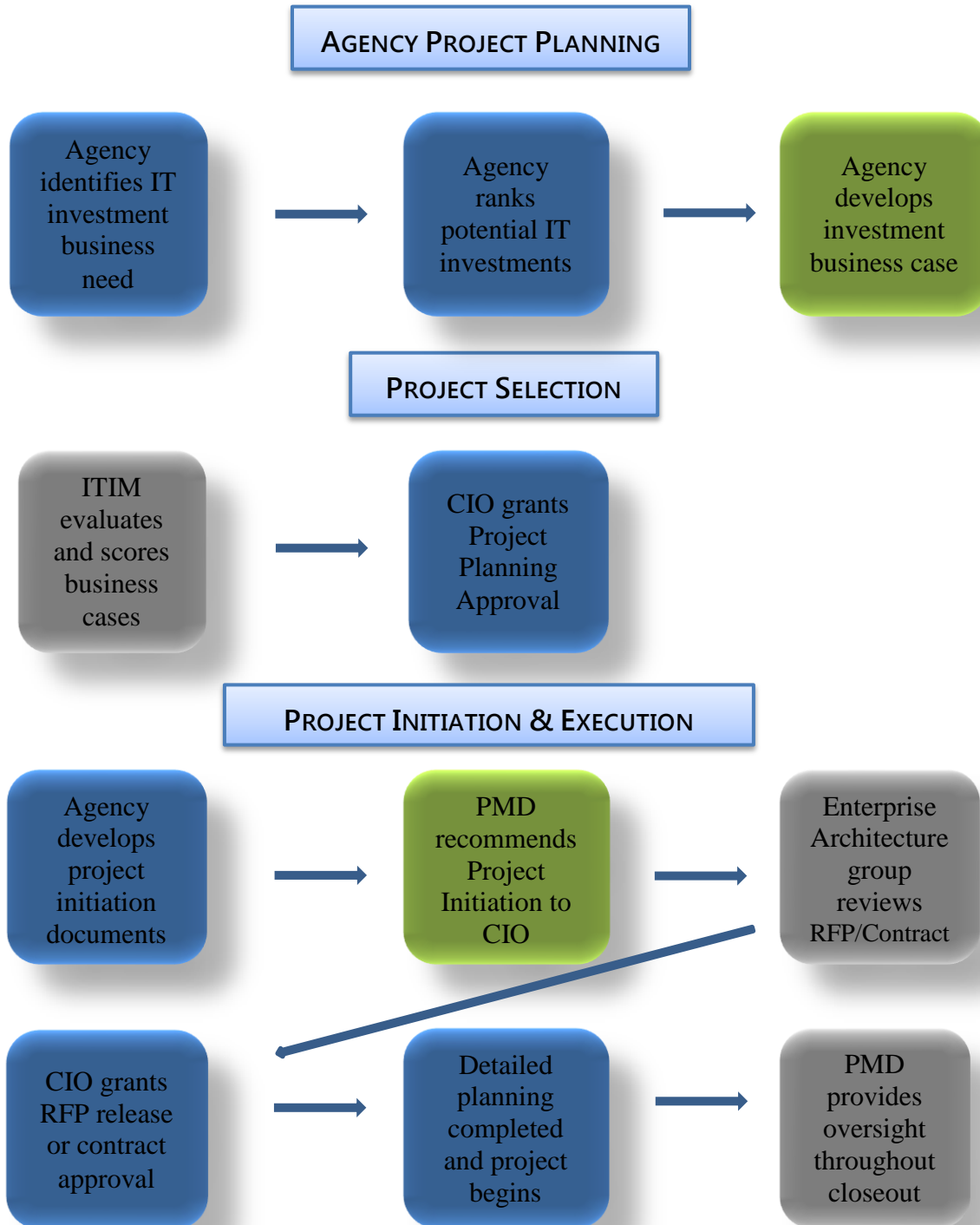
During agency development of the investment case, agencies are required to identify the business need for a potential IT investment. Agencies rank all potential IT investments and then complete a business case that provides information necessary to evaluate a potential IT investment. The Information Architecture framework calls for agencies to review the data standards catalog when developing plans for new applications and document the potential impact of implementing the data standards. The framework also calls for agencies to identify opportunities to create new data standards.

As part of project selection, ITIM receives all investment business cases for evaluation. Potential IT investments that satisfy agency needs and fit into the Commonwealth strategic plan receive approval from the CIO to move forward into the Project Development and Execution phase. Currently the investment business case evaluation process does not identify and require agencies to address data standards.

The project initiation and execution phase requires agencies to complete various documents such as the Project Charter, Cost Benefit Analysis, and Procurement Plan. These documents do not explicitly require agencies to address data standards. PMD performs a risk assessment to evaluate the potential risk and complexity factors that might impact a project. Currently, this is the only document that contains specific questions relating to data standards.

We created Chart 4 below to show a high-level overview of the systems development approval process and points in that process where VITA could improve the identification and enforcement of data standards. The areas highlighted in green show where a process to review projects for data standards already exists. The areas highlighted in gray indicate where we have identified an opportunity for VITA to improve their enforcement of data standards.

POINTS WHERE VITA COULD IDENTIFY/ENFORCE DATA STANDARDS



In summary, the Commonwealth could enhance the project approval process by inserting more opportunities to search for data standards while reviewing investment business cases and project documentation. Additional criteria relating to data standards would ensure projects address and incorporate data standards.

Recommendation 5

ITIM and PMD should include additional review processes to identify opportunities for data standards. The ITIM group should require agencies to include the impact of data standards on potential IT investments. This would allow the ITIM group to better evaluate the project and identify how it relates to enterprise strategic goals. PMD should add criteria to their review process to ensure agencies document the impact of data standards and include this as part of their review process and approval recommendation. PMD should also elicit the expertise of VITA's Data Governance team to ensure the project includes all relevant data standards. Once the project receives approval and is in the execution and control phase, PMD analysts should monitor the project and notify the CIO and Secretary when an agency is not complying with data standards.

Enforcing Compliance with Data Standards

During our audit we recognized that VITA is reluctant to enforce agency compliance with data standards because they believe they do not have the authority to do so. To deal with authority, we reviewed the Code of Virginia and noted the following sections which we believe address compliance authority.

Chart 5

Position	Code of Virginia
Project Management Division (PMD)	<p>§ 2.2-2017 Implement the approval process for information technology projects developed in accordance with the Commonwealth Project Management Standard.</p> <p>Monitor the implementation of information management and information technology plans and periodically report its findings to the CIO.</p>
Chief Information Technology Officer (CIO)	<p>§ 2.2-2008 Review and approve or disapprove the selection or termination of any Commonwealth information technology project that has not been defined or designated as a major information technology project pursuant to § 2.2-225 or that does not have high risk and high complexity. For any Commonwealth information technology projects defined or designated as major information technology projects, or that have high risk and high complexity, the CIO shall recommend approval or disapproval to the Secretary pursuant to § 2.2-225.</p> <p>Disapprove or recommend for disapproval by the Secretary any Commonwealth information technology projects that do not conform to the Commonwealth strategic plan for information technology developed and approved pursuant to § 2.2-2007 or to the strategic plans of state agencies or public institutions of higher learning.</p>

Secretary of Technology	<p>§ 2.2-225 Review and approve or disapprove, according to the recommendations of the Chief Information Officer (CIO) pursuant to § 2.2-2008, the selection or termination of any Commonwealth information technology project that has been defined or designated as a "major information technology project" pursuant to subdivision 13 and any Commonwealth information technology project with high risk and high complexity.</p> <p>Review and approve the initiation or termination of any procurement conducted pursuant to § 2.2-2012 with a total estimated cost over \$1 million, and contracts or amendments thereto.</p>
--------------------------------	--

The Commonwealth Project Management Standard (Standard) referenced under the PMD section of Chart 5 above, defines the review and approval processes PMD follows. Currently PMD and VITA set this Standard and thereby have the authority to establish the project approval criteria and processes.

As noted previously, PMD's approval process currently does not have specific criteria by which to review data standards or documented methods to evaluate use of or enforce compliance with data standards, but the Code of Virginia allows them to set the project approval and monitoring criteria. Adding data standards criteria to the approval requirements in the Standard will give PMD the enforcement criteria they need. Then, if PMD's project monitoring determines an agency is not implementing data standards as required in the Standard, they can recommend corrective action to the CIO.

The Code of Virginia gives the CIO the authority to review and approve or disapprove projects. The CIO also has the authority to disapprove or recommend for disapproval by the Secretary any project that does not conform to the Commonwealth strategic plan or agency strategic plan. Since the CIO receives recommendations from PMD, it is important that PMD integrate data standards review criteria during the project approval process. This review would give the CIO assurance that a project will conform to data standards when he approves a project. It is also important for PMD to monitor for compliance with data standards after approving a project so the CIO will have information to support suspending a project that does not comply with data standards.

The Code of Virginia gives the Secretary the authority to approve or disapprove the selection or termination of any project or procurement. The Secretary bases decisions on recommendations from PMD and the CIO so this makes the process of identifying data standards during the review processes and requiring enforcement during implementation important. With PMD evaluating the use of data standards in new projects, the Secretary will know that a sufficient level of review is occurring to ensure the project identifies data standards and complies with them during implementation.

Recommendation 6

PMD should modify the Commonwealth Project Management Standard to include data standards criteria as part of the project approval process. PMD should also use their authority in the Code of Virginia to monitor agency compliance with the Project Management Standard and report non-compliance to the CIO. The CIO and Secretary should not approve projects that do not identify data standards or receive an exception waiver to implement data standards.

Recommendation 7

If the Secretary, CIO, and PMD believe the Code of Virginia does not give them authority to enforce compliance with the data standards, we recommend they pursue suggesting that the General Assembly modify the Code of Virginia to clearly designate this authority.

Data Standard Accomplishments

In 2009, the Commonwealth hired a Data Manager to coordinate the enterprise data standards effort. The Data Manager determined that in order to develop and deliver standards supporting the seven minimum business areas within the next 12 months, there was a need for an additional six staff to meet the deadline. The Data Manager never received these resources; therefore, accomplishing very little work.

The major accomplishment during 2009 was the creation of the Enterprise Information Architecture framework, which is still in draft form, as we have discussed previously. In September 2010, the Data Manager resigned and the position remained unfilled for nearly a year, further limiting progress in the seven business area.

In 2011, the CIO created the Commonwealth Data Governance (Data Governance) team, currently comprised of three positions, with the following responsibilities.

- Implement Enterprise Information policies, standards, and guidelines
- Provide guidance for the Enterprise Data Standardization Process
- Administer the Health IT Standards Advisory Committee (HITSAC)
- Maintain the Enterprise Architecture Standards Repository
- Establish and develop stakeholder relationships with Commonwealth's stewards and other stakeholders

The Data Governance Service Lead, a General-funded position, is responsible for developing and maintaining the Commonwealth's data governance program. This includes facilitating and maintaining Commonwealth data and data exchange standards.

The federal government funds two positions, a Senior Business Analyst and a Data/Business Analyst, from a grant by the Centers for Medicare and Medicaid Services. These individuals work exclusively with the Health and Human Services agencies to support Medicaid Reform initiatives, also known as the electronic Health and Human Resources (eHHR) Program. This report describes the eHHR program in more detail in Appendix 1.

At this time, there is no funding or plans for additional funding for more positions to support the continued development of Commonwealth enterprise data standards. With only three funded positions, and two of them dedicated to the eHHR program, the Data Governance team does not have sufficient resources to fulfill their responsibilities and manage the entire data management initiative, including enterprise data standards. To successfully implement the enterprise data standards required by the Act, the Data Governance team will need additional dedicated resources as first identified by the former Data Manager in 2009.

We reviewed the data standards catalog located on VITA's webpage and found the Data Governance team has 140 data standards in various stages of development. Only three of the standards relate to the seven business areas in the Appropriation Act; two standards have received approval and the third is still in draft. The draft standard is the Commonwealth's chart of accounts and the catalog indicates that it had a scheduled approval date of January 2011. All the remaining data standards relate to the eHHR program.

The success in creating data standards for the eHHR program is a direct reflection of the staffing resources dedicated by the Secretary of Health and Human Services and the commitment of the eHHR team to successfully meet the October 2013 Medicaid Reform deadline. Further, leadership within the eHHR team created timelines and milestones, which allow them to monitor data standards progress to ensure their scheduled completion.

Recommendation 8

The Secretary of Technology and Chief Information Officer should make enterprise data standards a priority to ensure their completion. The Secretary and CIO should provide sufficient resources to the Data Governance team and require them to create a detailed work plan and timeline for the development and implementation of data standards for the seven business areas. The work plan should include detailed tasks, responsibilities, and deadlines.

VITA is currently developing an Enterprise Architecture policy document, based on the framework principles discussed previously. The policy, which VITA hopes to have finalized and approved by the summer of 2012, will articulate a policy vision and define a policy statement within four Information Architecture policy domains: Data Governance, Data Asset Management, Data Standards, and Data Sharing. These policies will create the foundation needed to complete related standards and guidelines. Below is the action plan communicated to us during the audit, although no formal plan exists.

Information Architecture Action Plan

**Recommendation 9**

VITA should develop a detailed, realistic plan and timeline to complete their Information Architecture action plan. This timeline should articulate when the policies, standards, and procedures will be fully developed, approved, and implemented. The plan should include what tasks need to be completed, by when, and by whom to support the timeline and ultimately result in a data standards strategic plan. A data standards strategic plan will allow agencies in the early phases of systems development to anticipate and incorporate coming data standards into their development plan.

eHHR Program

Currently, VITA is implementing a Service Oriented Architecture Environment (SOAE) to support the eHHR program. The SOAE support agency access to an array of services, such as the Enterprise Data Management solution, built on IBM's Initiate Master Data Service (Initiate). The Enterprise Data Management solution will enable agencies to match records and exchange information across data systems. VITA expects services to be available by February 2013.

VITA believes this solution will enable agencies to link existing disparate data and help increase data accuracy through data comparison from the various sources. To make the software solution work properly, the Health and Human Services agencies are creating and adopting data standards.

Through the eHHR program, VITA plans to prove Initiate's value Commonwealth-wide and anticipates agencies will willingly use this tool to exchange information. Additional detail regarding this technology and the eHHR program will be included in an APA report planned for Spring/Summer 2012.



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

May 24, 2012

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable Charles J. Colgan
Chairman, Joint Legislative Audit
and Review Commission

We have audited the Commonwealth's progress in developing data standards and are pleased to submit our report entitled Progress Report on Commonwealth Data Standards. We conducted this performance audit in accordance with generally accepted government auditing standards. 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 provides a reasonable basis for our findings and conclusions based on our audit objectives.

Exit Conference and Report Distribution

We discussed this report with the Commonwealth's Chief Information Officer and management at the Virginia Information Technologies Agency on May 14, 2012 and their response to the findings identified in our audit is included below. We did not audit their response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

KKH/clj



COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

Samuel A. Nixon, Jr.
Chief Information Officer
E-mail: cio@vita.virginia.gov

11751 Meadowville Lane
Chester, Virginia 23836-6315
(804) 416-6100

TDD VOICE -TEL. NO.
711

May 22, 2012

Mr. Walter J. Kucharski
Auditor of Public Accounts
Post Office Box 1295
Richmond, Virginia 23218

Dear Mr. Kucharski:

Thank you for the opportunity to comment on the *Progress Report on Commonwealth Data Standards*, dated May 2012 ("the report"). The report presents findings and recommendations from Karen Helderma and her audit team based on their review of data standardization efforts pursuant to Chapters 879 and 890 of the Appropriations Act ("the Act"). On behalf of Virginia Information Technologies Agency (VITA) staff, I want to thank Ms. Helderma and the Auditor of Public Accounts (APA) team for their thoroughness and professionalism during the review process.

The report correctly states that, to date, only two of the seven data standards required by the Act have been developed: the Procurement Vendor Data Standard and the Employee Information Data Standard. The report also accurately attributes this lack of progress to several factors, of which the primary factor relates to the Act's requirement that five other agencies develop data standards and provide them to VITA. I concur with the report's finding that this approach, which has been compounded by resource constraints, has delayed development of data standards.

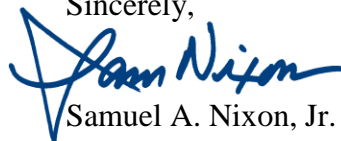
Turning to the report's recommendations, most of them focus on the role that VITA should play in the development, adoption, and enforcement of data standards. Although I agree that data standards are needed, unless changes are made to the statutory framework then VITA must comply with the Act's requirement that business owners of government (state agencies) develop data standards. This course of action reflects the need for business to be the driver of technology. However, in accordance with report's recommendations, I have directed VITA staff to evaluate whether changes should be made to our project review and architecture activities, as they pertain to data and data exchange standards, in a manner that is consistent with our statutory responsibilities for IT oversight.

Mr. Walter J. Kucharski
May 22, 2012
Page Two

As you are aware, the 2012 Appropriation Act directs the Secretary of Technology to work with “all Cabinet Secretaries and their agencies to develop Commonwealth data standards” for common sources of information and to “communicate an initial plan that will provide at least an estimated timetable, cost and description of the anticipated scope” by November 1, 2012 (“the November plan”). In addition to the evaluation of our project review and architecture activities noted above, VITA will include in the November plan a response to those recommendations in which the APA states that VITA should assume “the authority and responsibility to identify and develop data standards” and “enforce compliance with data standards.” As the report notes, additional resources and authority may be required to adopt this new statutory framework.

Once again, I thank you for the opportunity to respond to the report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sam Nixon", with a stylized, looped initial "S".

Samuel A. Nixon, Jr.

c: James D. Duffey, Jr., Secretary of Technology

RESPONSIBLE OFFICIALS

The Honorable James D. Duffey, Jr.
Secretary of Technology

Samuel A. Nixon, Jr.
Chief Information Officer
and
Director, Virginia Information Technologies Agency