An Audit Report on

The Department of Public Safety's Management of the Integrated Satellite Business Network Project

Overall Conclusion

The Department of Public Safety's (Department) Integrated Satellite Business Network (ISBN) meets the intended functionality. However, while the ISBN contract was within the contract budget, we were unable to determine the total cost of the project because the Department did not track internal personnel costs of managing the project. Also, the ISBN did not meet its original milestones because the project was extended 36 months.

The Department reports that in the 2004-2005 biennium it will be developing three other major information systems at an estimated cost of $26 million. By addressing the following issues that occurred on the ISBN project, the Department could help ensure that future projects will be completed on time, within budget, and with the needed functionality:

> During the execution phase of project management, the Department did not establish a system to track the project's internal personnel costs. The Department budgeted $1 million for its staff members' time. However, it did not set up a system to track these costs, so it does not know how much it has spent on internal personnel for the project. It also did not track the additional costs incurred because of the project extension discussed below.

Background

The ISBN consists of the computer hardware that gives local law enforcement and criminal justice agencies direct access to crime data in the National Crime Information Center (NCIC) and the Texas Crime Information Center (TCIC). The Federal Bureau of Investigation (FBI) designated the Department as the control agency for Texas. In this capacity, the Department is to provide Texas's city, county, and state personnel access to NCIC.

As of January 2003, the Department had spent $8 million of its approximately $10.2 million contract with the primary ISBN contractor. The total project cost includes costs for other contractors and Department personnel. However, the Department did not have complete project information because it did not track internal personnel cost.

We audited the effectiveness of IT project management by reviewing the planning, monitoring, and executing processes used in the development of the ISBN system. Appendix 2 contains more information on the phases of IT project management.

> During the monitoring phase, the Department did not follow its own procedures that required it to update the project's milestones as the project progressed. The project was extended 36 months due to unforeseen inadequacies in local agencies' equipment. Even though some of the extension may have been outside the Department's control, the Department should have adjusted its project milestones accordingly.

> During the planning phase, the Department did not ensure that its contract included sufficient provisions to hold the contractor accountable for performance and costs.

ISBN met its intended functionality of connecting sites to national and state crime data. Responses from all 69 statistically selected sites that we surveyed indicate that users are satisfied with the ISBN.

State
Auditor's
Office

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Major IT projects are critical to organizations' business processes and service delivery functions. If agencies do not adequately manage their IT projects, there are increased risks that the projects will not meet the overall goals of the organization, will not be completed on time, and will incur significant and unnecessary costs.

As of November 2002, state agencies and universities reported a total of 215 major IT projects planned, underway, or recently implemented, with an estimated budget of approximately $2 billion.

Statute requires the State Auditor's Office to participate on the Quality Assurance Team (QAT), which approves and monitors major information resource projects. Our involvement in the QAT did not affect our audit conclusions.