



King County

# KING COUNTY AUDITOR'S OFFICE Capital Projects Oversight

ACCOUNTABLE BUSINESS TRANSFORMATION (ABT) PROGRAM  
OVERSIGHT REPORT FOR FIRST QUARTER 2011



**CURRENT RISK RATING** ▼ Overall risks are significant and have been increasing. In order to meet go live dates, attention is needed to meet project milestones, keep project teams fully staffed, and ensure agency readiness.

**PROJECT STATUS** ● = No Current Concerns ▼ = Attention Needed ◆ = Corrective Action Needed

● **Scope**

There have been no new changes in scope in this quarter.

▼ **Schedule**

Go live forecasts are unchanged, although the Finance Project has missed critical interim milestones in the development and testing phases. ABT is taking numerous corrective actions to meet the January 2012 go live date.

System Projects	Council-Approved Go Live Schedule	Current Forecast	Comments
Human Capital Mgmt	9/2/09	3/16/10 (actual)	Go live occurred 6½ months late
PTL Group 1	1/3/11	1/1/12 (all groups)	One-year delay
PTL Groups 2 and 3	Group 2 - 7/3/11		Six-month delay
	Group 3 - 1/1/12		No delay
Finance	1/1/11	1/1/12	One-year delay
Operating/Capital Budget	4/1/12	2/28/12	30-day acceleration
Performance Management	12/31/12	6/2012	Completion of pilot project
		12/2012	Completion of countywide plan

▼ **Budget**

Forecast costs at completion remain at \$84.2 million, leaving \$2.5 million in unreleased contingency.

Budget Category	Council-Approved Budget	Expenditures thru March 2011	Expenditures as % of Approved Budget	Forecast Costs at Completion*	Forecast Variance from Approved Budget
Planning	\$9,032,857	\$8,675,924	96%	\$8,675,924	(\$356,933)
Implementation	64,685,283	31,965,224	49%	65,042,216	356,933
Contingency	12,919,007	1,543,680	12%	10,454,247	(2,464,760)
<b>Total</b>	<b>\$86,637,147</b>	<b>\$42,184,828</b>	<b>49%</b>	<b>\$84,172,387</b>	<b>(\$2,464,760)</b>

\* From ABT 1<sup>st</sup> Quarter 2011 Report.

**Key Issues and Risks**

- The finance system will go live with known problems. (New)
- Success in meeting go live schedules requires performance to project milestone targets.
- Project schedules depend on keeping project teams fully staffed with the required expert functional and technical skills.
- Successful ABT implementation relies heavily on active participation by county agencies in all change management and readiness activities.
- Side system readiness is critical for successful implementation of ABT systems.

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**King County Auditor’s Office – Cheryle Broom, County Auditor**

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**Capital Projects Oversight Program – Tina Rogers, Manager**

*The Capital Projects Oversight Program (CPO) was established within the auditor’s office by the Metropolitan King County Council through Ordinance 15652 in 2006. Its goal is to promote the delivery of capital projects in accordance with the council approved scope, schedule, and budget; and to provide timely and accurate capital project reporting.*

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## **INTRODUCTION**

This is the tenth quarterly oversight report prepared for and submitted to the Government Accountability and Oversight Committee by the Capital Projects Oversight (CPO) Program on the status of the scope, schedule, budget, and issues and risks for the Accountable Business Transformation (ABT) Program.

As noted in ABT's 2011 annual report, "The implementation of enterprise systems across a complicated and diverse organization like King County is extremely difficult and risky." With go live dates for the finance and payroll projects less than six months away, these projects are at critical stages. They are appropriately "schedule-driven," meaning that ABT program management is highly focused on identifying and mitigating obstacles to meeting go live dates and adding and/or redeploying resources where needed to keep the projects on schedule.

We show the overall risk level for the ABT Program as yellow, indicating that in order to meet go live dates, attention is needed to meet project milestones, keep project teams fully staffed, and ensure agency readiness, given the issues and risks identified and described in more detail in this report. We also note a new issue – the finance system will go live in January 2012 with known problems that will not be fixed before the planned January 2012 go live date. The ABT Program Manager, however, reports that none of the problems identified to date are major. In addition, he points out that based on his experience, all complex enterprise resource system go live with problems.

Our report comments primarily on the ABT Program's June 2011 quarterly report, which covers the period of first quarter 2011. The report was delivered to the Clerk of the Council by June 1 as mandated. We also used the ABT Program's 2011 annual report, which was submitted to the council as mandated by June 30. In addition, more current information available at our publication date was used if available.

## **PROJECT STATUS**

**Finance Project** – The Finance Project is currently in the development and testing phases to implement the new Oracle finance system in partnership with Ciber, Inc. Development is scheduled to conclude on September 1. The first three of the nine system testing cycles have been completed. The next three test cycles (labor distribution, cash management/treasury, and end user) are in progress. The remaining three cycles consist of load and stress testing, security and intrusion testing, and cutover<sup>1</sup> testing. In addition, testing of side systems is expected to begin soon. End-user training is scheduled to occur between October and mid-December, with go live in January 2012.

**Payroll, Time and Labor (PTL) Project** – The project is continuing to complete the development phase to implement the new PeopleSoft payroll/time and labor system in partnership with Ciber, Inc. The Office of Labor Relations has completed negotiating the effects of moving from semi-monthly to biweekly pay for represented employees. For business reasons, however, paramedics in the Department of Public Health and employees in the Sheriff's Office will remain on semi-monthly pay cycles using PeopleSoft following go live until the transitions can take place.<sup>2</sup> A major effort is underway to prepare for parallel testing to validate the accuracy of paychecks in the new payroll system and to validate that labor costs are charged to the

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<sup>1</sup> "Cutover" refers to switching from an old hardware and/or software system to a new replacement system.

<sup>2</sup> The number of employees affected is about 1,200, or about 7% of total county employee count of about 17,000.

appropriate projects in the new finance system. End-user training will begin in late September/early October and continue until mid-December, with go live in January 2012.

**Budget Project** – The project completed the requirements phase in April, with approval by the Office of Performance, Strategy and Budget (PSB) of over 270 business requirements for the new budget system using Hyperion Planning software. Another milestone was reached in May with the completion of the design phase, after conducting a final design review session with county agency stakeholders. The build phase, the actual construction of the system, was initiated in June through a series of workshops with the same group of stakeholders and will conclude in July. System integration and end-user testing will take place in the third quarter. A final training plan and schedule will be produced in the third quarter. Go live is scheduled for February 2012.

**Performance Management Project** – In May the ABT Management Team approved contracting with the budget system implementer, Business Technology Resource Group, Inc. (BTRG), to implement a performance management system for the county. A detailed cost estimate, project plan and schedule are under development. There is a high-level schedule showing the following milestones: (1) completing a requirements analysis and preliminary design by January 2012; (2) completing a pilot project with several county agencies to validate the system design by June 2012; and (3) based on the results of the pilot, completing a countywide performance management plan and providing initial support for countywide implementation by December 2012.

**Benefits Realization Project** – Having established benefit targets in the April 2010 Benefits Realization Plan (BRP), the project continues to conduct ongoing activities to monitor and evaluate achievement of outcomes. ABT's recent annual report included an update on net benefits received by the ABT Program to date, as measured by FTE reductions taken in the 2010 and 2011 budget processes in anticipation of efficiency benefits resulting from the new ABT systems. The number of FTE reductions totaled 55.85. This is considered a preliminary number until the ABT systems are implemented and PSB validates whether these reductions can be attributed to the systems.

## Scope

Project scopes remain unchanged from our last quarterly report, although the ABT Program Manager recently announced that the finance system will go live with "known problems that will not be fixed until after go live." In order to stay on schedule for go live, corrective actions are being taken to defer some non-critical development work as well as solutions to system problems that are not "fatal flaws."

"Work-arounds" will be provided to agency staff until the problems can be fixed and will be included in training so that agency staff is prepared to deal with the problems. During the 90-day post-production period following go live, the ABT Program may be able to accomplish some of the fixes, but it is more likely that the program will be focused on addressing problems that arose at go live. After the 90-day period, the Business Resource Center (BRC), the new entity in the Department of Executive Services that will operate and maintain the new ABT systems, will be responsible for any remaining fixes if they are needed.

## Schedule

### *Milestone Slippage and Impacts*

As noted above, ABT projects are now appropriately "schedule-driven," meaning that ABT program management is highly focused on identifying obstacles to meeting go live dates and adding and/or redeploying resources where needed to keep the projects on schedule. While project go live dates reported on page one of this report remain unchanged from our last quarterly report, there has been some slippage in interim milestones. Milestone slippages are a major concern with go live dates less than six months away.

ABT's plan was for the finance system to be "fully tested and ready for deployment in August 2011" to allow more time for ABT and agencies to address needed business process changes, conduct and attend training, build reports, and test and coordinate cutover with the PTL Project.<sup>3</sup> At this point the plan is to complete development by September 1 and testing by the end of October. In order to help ensure the completion by these new target dates, the ABT Program Manager placed a freeze on new development requests for the finance and payroll systems effective July 1.

The delays in finance system work, however, will use much of the schedule "float" that had been planned. As a result, finance system work will overlap to a greater extent with the PTL and budget project schedules. The schedule overlap heightens risk and will add to the pressure on agency and ABT staff to meet milestone deadlines.

As noted in ABT's 2011 annual report, "Few organizations implement three major enterprise systems all at once (payroll, finance, and budget)." Managers have been strongly advised to plan staff vacations so they do not coincide with critical ABT work efforts, and have been given authority to grant vacation carryover requests in excess of the carryover limit in the event staff are not able to take vacation time as a result of necessary ABT work schedule. In addition, the December 26 and January 2 holidays will be workdays for some ABT and agency staff.

#### *Earned Value Analysis - Schedule*

In our last report, we indicated that we would assess whether ABT's enhanced schedule and budget-monitoring efforts were a satisfactory substitute for earned value analysis.<sup>4</sup> ABT has a structured and well-documented process to monitor the schedule and hold project managers and task owners accountable for the status of completion of all tasks on the plan. Late tasks are rescheduled in the plan immediately, so the downstream impact on the critical path and on workload can be quickly assessed using a reset project plan. Because the plans are frequently changing, earned value indicators may not show performance trends in a reliable way. Therefore, we do not recommend that ABT devote management resources to reinstating earned value analysis at this time.

## **Budget**

#### *Reformatted Budget*

Table 1 shows ABT's reformatted budget as we previously reported. The bottom line did not change; only the budget categories within the bottom line were changed. ABT reformatted the budget to pull out programwide costs from the project lines and isolate them in the "Project Management Office (PMO)/Other" line. This line now includes programwide and shared costs such as program management, communications, program oversight, space, and overhead charges. This is a reasonable approach and realigns costs under the project managers who are ultimately accountable for the costs.

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<sup>3</sup> Power Point presentation to the ABT Operations and Change Management Committee, dated September 23, 2010.

<sup>4</sup> Earned value analysis is a project management tool for cost and schedule control. It provides indicators that can be used on an ongoing basis to assess how a project is performing against its planned schedule and budget and can help predict schedule delays and cost overruns.

**Table 1. ABT Forecast Costs at Completion**

Council Appropriations	Council-Approved Budget	ABT Reformatted Budget	ABT Program Forecast Costs at Completion			
			4th Q 2010	Revised 1st Q 2011*	\$ Change	% Change
<b>PLANNING</b>	<b>9,032,857</b>	<b>9,032,857</b>	<b>8,675,924</b>	<b>8,675,924</b>	<b>-</b>	<b>0%</b>
<b>IMPLEMENTATION</b>						
Finance	29,097,703	24,340,191	29,054,259	28,772,369	<b>(281,890)</b>	<b>-1%</b>
HCM	10,238,471	7,232,823	6,302,717	5,866,247	<b>(436,470)</b>	<b>-7%</b>
PTL	20,424,577	13,844,941	16,578,859	16,729,874	<b>151,015</b>	<b>1%</b>
Budget/Perf Mgmt	4,834,286	4,294,097	5,643,116	5,656,184	<b>13,068</b>	<b>0%</b>
Benefits Rel.	-	-	575,451	449,623	<b>(125,828)</b>	<b>-22%</b>
PMO/Other	90,246	14,973,231	17,342,061	18,022,166	<b>680,105</b>	<b>4%</b>
<b>IMPLEMENTATION SUBTOTAL</b>	<b>64,685,283</b>	<b>64,685,283</b>	<b>75,496,463</b>	<b>75,496,463</b>	<b>-</b>	<b>0%</b>
<b>PLANNING AND IMPLEMENTATION TOTAL</b>	<b>73,718,140</b>	<b>73,718,140</b>	<b>84,172,387</b>	<b>84,172,387</b>	<b>-</b>	<b>0%</b>
<b>AVAILABLE CONTINGENCY</b>	<b>12,919,007</b>	<b>12,919,007</b>	<b>2,464,760</b>	<b>2,464,760</b>	<b>-</b>	<b>0%</b>
<b>GRAND TOTAL APPROPRIATIONS</b>	<b>\$86,637,147</b>	<b>\$ 86,637,147</b>	<b>\$ 86,637,147</b>	<b>\$ 86,637,147</b>	<b>-</b>	<b>0%</b>

\*From ABT 1<sup>st</sup> Quarter 2011 Report.

*Forecast Costs*

Table 1 also shows ABT’s revised costs at completion as of first quarter 2011. The total forecast does not change from ABT’s previous forecast as of fourth quarter 2010. The total forecast remains at \$84.2 million, leaving \$2.5 million in unreleased contingency.

Some relatively minor shifting occurs among the projects, however. The most significant change was to remove training costs from the projects and transfer them for accounting purposes into a separate line within the “PMO/Other” category because government accounting standards do not allow these costs to be capitalized. The reduction in the “Benefits Realization” category was to correct an error in accounting for staff time between the budget and benefits realization projects. Other changes were not significant.

*Budget Adjustments and Monitoring*

We have observed that ABT has a rigorous and thoughtful process in place to identify emerging resource needs and determine how to meet those needs. ABT’s program management team has encouraged project managers to promptly notify the team of emerging resource needs that are required to keep the projects on schedule. The team meets weekly to evaluate resource requests and determines how any valid requests might be met by identifying flexibility within the overall ABT Program budget and/or by redeploying existing resources. ABT program management, however, believes that the projects are approaching a “saturation point,” meaning that there is a limit on how many new resources can be effectively utilized and managed.

This process has been in place for approximately four months and appears to be a prudent approach to respond promptly to emerging resource needs. As of this writing, new resource requests have been met by redeploying existing or adding new resources as needed. ABT is carefully tracking the impact of these changes, and continuously monitors the total forecast cost at completion, which remains at \$84.2 million.

At this time the ABT Program Manager believes the use of unreleased contingency will not be needed, while recognizing that unforeseen events could change that assessment. The cost of deferring functionality until post go live is one such example.

*Expenditures*

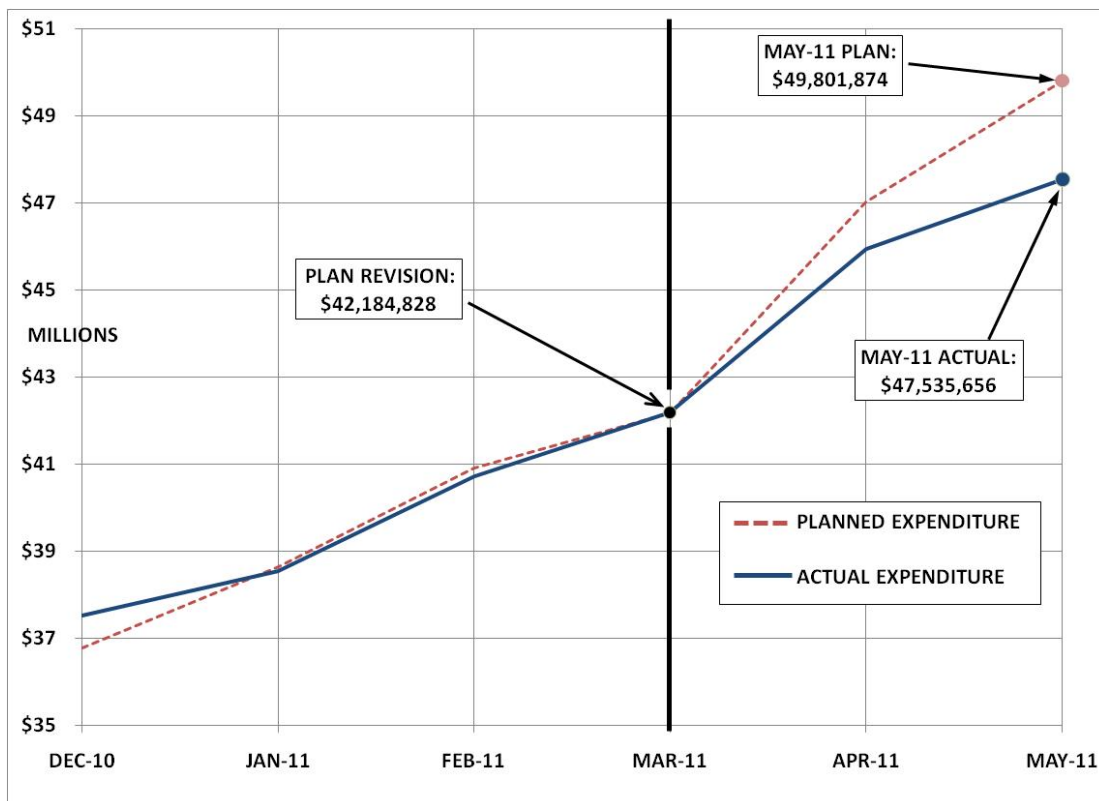
Monthly expenditures as reported in IBIS for the first quarter 2011 have averaged \$1.6 million per month, down from an average of \$1.9 million per month during the fourth quarter 2010. A variety of reasons account for the decline, including the purchase of budget system licenses that had been planned for first quarter 2011 but took place in fourth quarter 2010, and a lag in payments to the system implementer for work completed during the first quarter.

*Earned Value Analysis - Budget*

As discussed in the schedule section, we are not recommending that ABT devote resources to reinstating earned value analysis to monitor their performance. As reported above, ABT has enhanced budget and expenditure tracking and makes real time projections of the impact of any unplanned expenditure or savings.

When we examined actual expenditures, however, we found that actual expenditures are lower than planned. As shown in Figure 1 below, the gap between planned and actual expenditures has widened since March 2011, when ABT finalized its revised expenditure plan, to approximately \$2.3 million through the end of May 2011.

**Figure 1. Planned vs. Actual ABT Program Expenditures**



We have also prepared Attachment A, which shows the same comparison through the end of ABT Program expenditures in 2012. We will update and use this chart to monitor total expenditures compared to the plan.

## Issues and Risks

ABT's 2011 annual report notes that "The implementation of enterprise systems across a complicated and diverse organization like King County is extremely difficult and risky." The overall risk for the program remains elevated, indicating that in order to meet go live dates, attention is needed to meet project milestones, keep project teams fully staffed, and ensure agency readiness.

The issues and risks we have identified below take on even more importance in this context of the overall risk profile. They are based on our observations, along with those of ABT management and ABT's quality management consultant. We have added a new issue (listed first), related to the finance system going live with known problems that will be fixed later. The risks that follow are listed in order of significance.

We continue to acknowledge ABT's rapid response to these and other emerging issues and risks. We consider the issues and risk to be in "open" status while work is underway to address them. It is unknown at this time whether ABT's activities are sufficient or will be fully effective at mitigating them. We have observed, however, a firm commitment on the part of the ABT Management Team and ABT program management to resolve issues and mitigate risks in order to meet go live dates.

### 1. **The finance system will go live with known problems that cannot be fixed until after go live. (NEW)**

As explained above, the ABT Program Manager recently announced that the finance system will go live with "known problems that will not be fixed" until after January 2012. The problems, while not fatal flaws, will require ABT to develop work-arounds and train agency staff how to use them prior to go live. This issue has only recently emerged, and agencies are concerned. At this point it is unclear what the problems are, if the problems will affect their business needs, what resources they will need to devote to work-around processes, and whether and to what extent this will continue to stress agency resources after go live.

At this time the ABT Program Manager reports that the problems identified to date are not major. ABT is maintaining a list of "fixes" to the problems that can be deferred until after go live. While the list is expected to grow as testing and training go forward and additional problems are uncovered, ABT has indicated that some of the fixes may fall off the list after go live as agencies use the system and recognize that some of the fixes may not be required. As noted earlier, the ABT Program Manager has pointed out that, based on his experience, all complex enterprise resource systems go live with problems.

We will continue to monitor this issue as more information becomes available. We will also assess the adequacy of information provided to agencies as well as the anticipated impact on the realization of benefits. We have a recommendation on this topic on page 9.

### 2. **Success in meeting go live schedules will require performance to project milestone targets.**

**Summary:** As noted earlier, ABT project schedules are tight with little room for slippage, and missing interim milestones might put project go live dates at risk. Therefore, effective monitoring and prompt corrective action are necessary to address any milestones that are not met.

**Status:** Open. The project plans are frequently changing and being updated. Examples include the addition of tasks related to change management and readiness activities, interfaces between the budget and finance systems, and problems discovered during testing. More frequent and detailed



monitoring efforts have been implemented, including review of new dashboard reporting for interim project milestones by the ABT Management Team. These are prudent strategies to mitigate schedule risk.

We have seen recent examples of corrective actions when the ABT Program Manager announced a freeze on finance and payroll system development work effective July 1 and made the decision to defer non-critical fixes to the systems until after go live. With the backlog of new work behind schedule, and the likelihood that testing will uncover the need for additional unplanned work, more actions such as these may be necessary in order to meet milestones. We will continue to look for proactive planning and prompt corrective actions when and if project progress toward milestones is found to be lagging behind schedule.

### **3. Project schedules depend upon keeping project teams fully staffed with the required expert functional and technical skills.**

**Summary:** This issue has appeared in our previous reports and takes on even more significance as major system implementations quickly approach. In order to stay on schedule, ABT must take appropriate actions to ensure that new and vacant positions are filled quickly with candidates who have the required experience and skills and to anticipate and mitigate turnover and possible retention issues to the extent possible.

**Status:** Open. ABT, with support and assistance from the Human Resources Division (HRD), has been successful in filling vacant positions during the past few months. When we last reported in April, seven out of ABT's 78 positions were vacant. As of the end of June, there is only one vacant position out of 84.<sup>5</sup> The vacancies have been addressed largely through work orders with contract labor. While this approach is more costly, it has the advantage of securing candidates in a timely manner when major go live dates are quickly approaching. As expected, ABT found limited interest when advertising for replacement of temporary county positions which will last for only a few months.

It appears that the mitigation strategies put in place by ABT and HRD have been successful so far. The joint task force between ABT and the HRD continues to identify strategies for retaining staff. The program manager and deputy program manager meet frequently to review staffing needs and the status of vacant positions. ABT continues to analyze the ABT workforce to identify the staff in positions that are most critical to keeping the projects on schedule and where vacancies might occur.

Two key Ciber staff assigned to the ABT Program have left Ciber. This is a major concern. The ABT Program Manager has escalated the issue to the ABT Program Sponsor, who has been in contact with Ciber management to address the concerns.

We will continue to monitor the effectiveness of ABT's response to staffing challenges. As noted in the ABT's annual report, "The ABT Program is at a critical point and cannot afford to lose key employees."

### **4. Successful ABT implementation relies heavily on meaningful input and active participation by county agencies during all ABT meetings as well as testing and readiness activities.**

**Summary:** Subject matter experts from all agencies of county government must be available to attend ABT sessions for business requirements development, business process reviews, and user system testing. Inadequate participation by agencies may impact the quality of ABT systems and delay implementation if agencies have not completed their respective readiness activities. The ABT

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<sup>5</sup> Position count increased from 78 in March to 84 in May as a result of adding planned training and other resources.

Program has employed a number of strategies for monitoring and insuring adequate agency involvement, including obtaining formal sign-off by agencies on key planning documents and following up directly with agencies that miss critical meetings.

**Status:** Open. The new schedule and implementation approach, with three implementations coinciding in January and February 2012, places county agencies under even more pressure to participate, especially in light of continuing reductions to agency staffing and budgets. Change management and readiness activities compound agency workload. These activities include not only structured sessions such as end-user training and workshops and presentations, but also work behind the scenes such as building project structures in the new finance system and validating the accuracy of paychecks in the new payroll system.

ABT continues to employ mitigation strategies to address this risk through its regular meetings and communications with county agencies. Of particular concern at this point is the level of effort that is expected of agencies over the next several months to collect data for and participate in parallel and labor distribution testing for the PTL Project. Between June and November, the level of effort is estimated at over 8,000 hours. In order to mitigate the work effort, the finance and PTL projects have been working with agencies to reassess the amount of data required for parallel and labor distribution testing. ABT reports, however, most agencies are moving forward with the data collection realizing the opportunity it provides, in combination with planned training, to learn about the new systems and to be even better prepared at go live.

## 5. Side system readiness is critical for successful implementation of ABT projects.

**Summary:** Seventy-four agency side systems in 12 county agencies need modifications to interface with the new PTL and finance systems. The effort involves work by both ABT and agencies. The agencies will need to make modifications to their side systems and their interfaces to ABT. In addition, ABT will need to construct 23 interfaces to accept the side systems and ensure they function properly with the PeopleSoft and Oracle systems. ABT's work must be completed and tested prior to go live dates for the payroll and finance systems. If an agency or ABT has not completed its work prior to go live on any particular interface, then that agency would not have access to the automated functionality. In that case, the agency would either defer certain transactions and/or manually enter data until the required work was completed.

**Status:** Open. ABT's enhanced efforts to mitigate this risk continue to be prudent, with the development of a tracking tool and assignment of a dedicated resource to maintain the tool. As of July 5, five out of the 74 agency side systems were categorized in the "red," meaning that the scheduled completion date will be missed by 15 days or more. The number in the "red" has increased by four since last report as of June 3.<sup>6</sup>

Side system interface testing, which was scheduled to begin in mid-June, has been delayed in order to complete specifications and address issues that were discovered during ABT's internal testing. While some limited side system testing began later in June, testing has increased in intensity in July. We will monitor whether testing identifies the need for significant additional work that impacts the schedule.

## 6. Governance structure reviews could impact ABT project schedules and costs if decisions are not made in a timely manner.

**Summary:** The governance structure of ABT requires various levels of reviews and approvals by the ABT Management Team and the Project Review Board at key milestones of the program. While

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<sup>6</sup> King County ABT Quality Management Status Report, Pacific Consulting Group, Inc., June 2011.

such reviews are necessary, they also have the potential of delaying project schedules and increasing costs if decisions are not made when they are needed. The potential for delay is compounded when membership on these bodies changes. Continued strong leadership is required to conduct reviews and make decisions in a timely manner to avoid delays that would in turn affect project schedules.

**Status:** Open. Our concern about this issue is declining as we continue to observe that ABT is efficiently using the governance structure at all levels to communicate issues and obtain buy-in on approaches to problems. We have also observed that ABT's work within the governance structure has paid off when tough decisions need to be made by the ABT Management Team to ensure go live dates are met, as evidenced by the management team's recent endorsement of the message to agencies that they take into consideration the timing of staff vacations during critical ABT work efforts.

## **RECOMMENDATIONS**

Since the initiation of our oversight, ABT has complied with three out of the four recommendations we have made in our prior reports. Below is one new recommendation, followed by a status update on the remaining outstanding recommendation.

1. The ABT Program should provide agencies with specific information on the finance system problems that are anticipated at go live so that agencies can plan for any business impacts. In addition, the ABT Program should clarify what its role will be in prioritizing funding and accomplishing finance system fixes during the 90-day post-production period after go live. (NEW)
2. The ABT Program should review their past experiences with filling vacant positions and update their approach to address the current and potential future challenges for recruiting and hiring staff needed to meet project schedules. (First appeared - October 14, 2009) In addition, ABT should augment its staffing plan to include strategies for recruitment and retention to help ensure that project teams remain fully staffed and can be augmented as needed to address unplanned emerging resource needs. (First appeared - December 2010)

**Status:** ABT is complying with this recommendation by working with the Human Resources Division to develop and implement strategies to anticipate and reduce the likelihood of turnover, as noted above. We will be monitoring for adequacy and effectiveness of these strategies.

## **ACKNOWLEDGEMENTS**

We conduct our oversight through monthly meetings with a working group of staff from the ABT Program, county auditor, council, and PSB and through other meetings as needed. We also review and conduct independent analysis where appropriate on formal reports and other documentation provided by the ABT Program. In addition, we coordinate our oversight efforts by reviewing the reports of the Project Review Board and Pacific Consulting Group (PCG), Inc., the quality management consultant who reports directly to the ABT Program Sponsor.

We appreciate the collaborative efforts of the staff from the ABT Program, PSB, and the council for their input to effective oversight of the ABT Program consistent with council intent. We also appreciate the assistance from PCG and the staff of the Project Review Board towards coordinated oversight of this important countywide program. This report was prepared by Ron Perry, Tina Rogers, and Shelley Sutton. Should you have questions or comments on the report, please contact Tina Rogers, Capital Projects Oversight Manager or Ron Perry, Deputy County Auditor.

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## **ATTACHMENT**

Attachment A – Planned vs. Actual ABT Program Expenditures by Month

# Attachment A

