

Memorandum

To: Honorable Jerome E. Horton, Chairman
Senator George Runner, Vice-Chair
Honorable Fiona Ma, CPA, Second District
Honorable Diane L. Harkey, Fourth District
Honorable Betty T. Yee, State Controller

Date: March 19, 2015

From: Eric Steen, Project Director
CROS Project, MIC: 01

Subject: Lessons learned from the BreEZe Program Audit – March 2015 Board Meeting

The Customer Service and Administrative Efficiency (CSAE) Committee, chaired by Senator Runner, requested an assessment of the Bureau of State Audits (BSA) report of the Department of Consumer Affairs (DCA) BreEZe Project. During the March CSAE Committee Meeting, I will present information on lessons learned from the BreEze Program Audit.

This memorandum summarizes issues identified by the State Auditor and describes how BOE addresses concerns applicable to the Centralized Revenue Opportunity System (CROS). Some audit findings are inapplicable since the CROS Project is still within procurement.

Summarized Audit Finding: Requirements must be comprehensive, detailed, and up-to-date.

- BOE conducted visioning sessions with executives and managers to establish a base set of requirements.
- CROS assessed business processes from which it derived requirement details and improvement opportunities.
- CROS engaged Subject Matter Experts (SMEs) from all program areas and from all levels to refine business rules, which are requirement details needed to build a solution.
- CROS Team is drafting requirements that most projects do not address until much later, e.g., requirements for forms and reports.
- Once engaged, the selected vendor will conduct a final validation of requirements.

Summarized Audit Finding: Lack of resources leads to inadequate execution.

- CROS has worked diligently to engage a sufficient number of qualified resources.
- Planning is underway to assure that the project has sufficient staff through implementation.

Summarized Audit Finding: Nonconformity with CalTech's California Project Management Methodology (CA-PMM) results in unpreparedness.

- CROS has prudently applied the CA-PMM and developed the plans outlined within it.
- CROS's relevant, practical application of PM processes focus the team on delivering results.
- CROS planning and preparatory efforts exceed what is outlined within CA-PMM.

Summarized Audit Finding: Lack of organizational change management hampers solution adoption.

- The CROS RFP requires the vendor to provide an Organizational Change Manager and develop an Organizational Change Management Plan.
- BOE has executive-level sponsors, and Board Members lend their support to the project.
- CROS pre-implementation activities are a catalyst to organizational change since these activities engage internal staff early in solution development.

cc: Ms. Shellie Hughes
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