

Cabinet Agencies' Performance Audit Action Item(s) & Status

Creating a 21st-century Financial Management System in Washington

(See also [cabinet agency response](#) for full context to Washington State Auditor's Office (SAO) [report](#), May 2013)

Agencies included in the performance audit: Office of Financial Management, Office of the Chief Information Officer, and departments of Enterprise Services, Corrections, Ecology, Employment Security, Fish and Wildlife, Health, Labor and Industries, Revenue, Social and Health Services, Transportation and the Health Care Authority.

SAO Issues Summary:

1. Washington's financial management system does not efficiently meet agency or state needs because of fragmented, out-of date technology.
2. Modernizing the system using an integrated approach will reduce the level of technical risk and improve financial management efficiency by streamlining processes and eliminating redundancy.
3. Executive leadership and advocacy by the governor's office, agency heads and state-wide elected officials will be needed to establish a structure that provides both strong executive leadership and a venue for stakeholder involvement.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see the [cabinet agency response](#) for additional context and any additional steps already taken.

For an explanation of the columns below, [see the legend](#).

Issue	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
1	Completed	<p>Establishing a governance framework</p> <p>Conducting a readiness assessment</p> <p>Developing an implementation strategy and action plan</p> <p>Refining the business case</p>	OFM, DES and OCIO	9/30/2014	Yes	No	No	<p>July 2014: The governance structure is in place and operational. Membership includes a cross section of agency representatives from all three branches of state government.</p> <p>An independent consultant is nearing completion of the readiness assessment, implementation strategy and refining the business case. Their final report is expected by September 30, 2014.</p> <p>October 2015: October 2015: The independent consultant completed the</p>

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								<p>business case and OFM issued a Report on Modernizing the State’s Enterprise Financial and Administrative Systems, December 15, 2014. This document is available at http://one.wa.gov/documents/20141215_Report_to_Legislature.pdf</p> <p>OFM received an appropriation for the 2015-17 biennium to continue progress on planning for core financial system replacement. Work will include development of a new chart of accounts for the state, an enterprise LEAN procurement process project, and updating key budget applications.</p>
2	Completed	Establishing a governance structure	OFM, DES and OCIO	1/31/2014	Yes	No	No	<p>July 2014: The governance structure is in place and operational. Membership includes a cross section of agency representatives from all three branches of state government.</p> <p>October 2015: The governance structure remains in place. Membership will be updated for the chart of accounts project.</p>
3	Completed	Developing communication plans, project governance and project preparation efforts.	OFM, DES and OCIO	6/30/2015	Yes	No	No	<p>July 2014: Project communication includes a broad range of finance, procurement, information technology, human resource, legislative, and higher education stakeholders.</p> <p>The governance structure is in place and operational. Membership includes a cross section of agency representatives from all</p>

Issue	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
								<p>three branches of state government.</p> <p>October 2015: Project communications are ongoing.</p> <p>The project management office for the project is operational.</p> <p>October 2015: The project management office remains operational.</p>