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Testimony of
TODD NACAPUY
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Before the

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY
SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Wednesday, March 14, 2018
2:30 P.M.

State Capitol, Conference Room 414

HOUSE BILL NO. 2225 HD1
RELATING TO INFORMATION TECHNOLOGY

Dear Chairs Wakai and Kim, Vice Chair Taniguchi and Ruderman, and members of the committee:

I am Todd Nacapuy, Chief Information Officer for the State of Hawai'i and head of the Office of Enterprise Technology Services (ETS), testifying **in support, with comments**, of HB. 2225 HD1, Relating to Information Technology, which provides the Chief Information Officer discretion to require independent verification and validation of information technology projects, and require certain information technology projects to follow statewide information technology governance review processes.

This bill amends Section 27-43 to include the mandatory governance process for information technology (IT) programs and projects that is now in place for the Executive Branch. During the past year, this IT governance process has demonstrated its value to maximize IT resources, increase efficiency, reduce waste, and improve transparency and accountability. The methodical reviews and monitoring processes ensure those projects achieve intended objectives and provide clear return on investments.

The bill further emphasizes the importance of third party, independent verification and validation (IV&V) reviews, where appropriate, to ensure that State modernization projects are successful. ETS is presently coordinating several IV&V contracts with departments, as required under Section 27- 43.6 that became effective on July 1, 2017.

The current statute is silent about who funds and accounts for IV&V costs. To correct this ambiguity, **we request the committee consider adding the language below to clarify** that when departments know that IV&V will be required, they include estimated IV&V costs in their budget and spending requests:

(b) If the chief information officer identifies an information technology project for independent verification and validation, the sponsoring department or agency shall budget for and pay the independent verification and validation costs and cooperate with the chief information officer and the independent verification and validation contractor during the independent verification and validation process. The chief information officer is responsible for procuring, administering, and managing the IV&V services.

This will more accurately depict and record total costs of large IT projects.

Thank you for allowing me to testify in support and offer comments on this bill.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/14/2018

Time: 02:30 PM

Location: 414

Committee: Senate Economic Development,
Tourism, and Technology
Senate Government Operations

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 2225, HD1 RELATING TO INFORMATION TECHNOLOGY.

Purpose of Bill: Provides the Chief Information Officer with full discretion to require independent verification and validation of the information technology projects if certain criteria are met. Requires certain information technology projects to adhere to statewide information technology governance and provides a review process developed by the Chief Information Officer for the information technology project. (HB2225 HD1)

Department's Position:

The Department of Education (Department) understands the intent of HB 2225, HD1. The Department appreciates the value of independent verification and validation (IV&V) of IT projects to ensure the transparency and quality of technology in the State of Hawaii. However, the Department must oppose HB 2225, HD1, as written. Rather, the Department respectfully suggests amendments be made this proposal to ensure best practices and transparency.

We strongly recommend that technology audit approaches follow best practices for audits and ensure general separation of duties. Specifically, audits should be conducted by a separate organization reporting to the senior-most level available. Similar to how financial audits should not be conducted under the direction of the Chief Financial Officer, technology audits should not be conducted under the direction of the Chief Information Officer. This would include the separate auditing organization having the authority to identify IT projects for IV&V based on a standard list of criteria.

The state established a separate governance model for the Department through the establishment of a Board of Education to meet the unique needs of a K-12 educational system. This model currently provides transparent and public information on the Department's operations, including technology, in a manner to meet the needs of education.

The current organizational model gives the Department's chief information officer the responsibility for monitoring, oversight, and accountability over its Information Technology (IT) resources, systems, and services. The Department therefore already has a model in place that ensures independent verification and validation of technology initiatives, separation of duties, audit best practices, and transparency to the public, through reporting by the Department's Office of Internal Audit to the Board of Education's Audit Committee. An overlapping IV&V/audit process would be duplicative in public resources and cost to both the Department and to the State Chief Information Officer.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.

HB-2225-HD-1

Submitted on: 3/13/2018 2:09:14 PM

Testimony for ETT on 3/14/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments: