

# Oakland County Department of Information Technology Project Scope and Approach

**Project Name: Continuous Auditing Process Implementation**      **Project ID: DA8112AU**

<b>Leadership Group: Finance / Admin</b>			
<b>Department: County Executive</b>		<b>Division: Auditing Division</b>	
<b>Project Sponsor: P Weipert</b>	<b>Date Requested: 04-24-08</b>	<b>PM Customer No. 112</b>	
<b>Request Type:</b>	<u>New Development</u>	<i>Enhancement</i>	<i>Customer Support</i>
	<i>Planned System Maintenance or Upgrade</i>		
<b>IT Team Name: Finance/Admin</b>		<b>IT Team No: A</b>	
<b>Project Manager/Leader: Chithra Chakrapani</b>			
<b>Account Number:</b> 44034	<b>Account Description:</b> Aud-New Development	<b>Customer Name:</b>	Auditing Division
<b>Grant Funded?</b> Yes <u>No</u>	<b>Mandate?</b> Yes <u>No</u>	<b>Mandate Source:</b>	

## **Project Goal**

To implement a continuous data-driven auditing process to perform ongoing assessments of control and risk so that audit attention can be focused on control deficiencies and prioritize assignments as early as possible.

## **Business Objective**

Assist the Audit Division in selecting a suitable Data Analytic Tool ( ACL, IDEA or AR Butus) that can be used to identify anomalies at the transaction level and identify data-driven indicators of control deficiencies and emerging risk.

### **Major Deliverables**

- A suitable Data Analytic Tool

### **Approach**

- Assist the Audit division in preparing and sending out the RFP
- Attend vendor presentation
- Assist in defining selection criteria
- Participate in the vendor / package selection process

## **Business Objective**

Implement the selected Data Analytic Tool to identify anomalies at the transaction level and identify data-driven indicators of control deficiencies and emerging risk.

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## **Major Deliverables**

- Create detail plan to implement the selected Software
- Identify additional software and hardware required to install the selected Data analytic tool.
- Training of the selected software

## **Approach**

- Gain approval of the software, hardware, operating system and database platform to implement the Data analytic tool
- Install software on end user PCs or on server as is determined
- Attend training of software
- Determine process of obtaining data for analysis
- Identify data for analysis and its sources
- Establish processes to procure data for use in analysis as is required for specific Audits

## **Benefits**

***See Return on Investment (ROI) Analysis Document***

A continuous auditing program supports the audit activity's assurance of controls, and risk assessment, identifies fraud, waste, and abuse, audit planning, and the tracking of audit recommendations. The Institute of Internal Auditors (IIA) has stated that by implementing a continuous auditing process instances of error and fraud are typically significantly reduced, operational efficiency is increased, and bottom-line results are improved through a combination of cost savings and a reduction in overpayments and revenue leakage.

Data analysis results will be integrated into the entire audit process to target audit work towards risky areas. Audit coverage will increase from periodic reviews of a sample of transactions to ongoing audit testing of 100% of transactions, which can be done in near real time.

## **Impact**

**Number of Users**                      3 - 9

**Divisions**                                **Auditing Division**

**Leadership Groups**                    Finance / Admin

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**Risk**

- Business Environment                      Medium – The project requires some changes to existing Business Process
- Technical Environment                      High – New or Non Standard technology

**Assumptions**

**Staffing**      IT Staffing: resources will be available for the hours indicated per the attached project plan.

Other Staffing: additional staffing will be available as follows:

<b><u>Role:</u></b>	<b><u>Name</u></b>	<b><u>Hours per Day</u></b>
Project Sponsor:	Pamela L Weipert	As needed
Define project requirements, and use analytics software	OCAD staff	As needed

**Facilities**

- 

**Technical**

- IT will help OCAD define any technical needs and hardware requirements, such as a separate server.

**Funding**

- Information Technology

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**Other**

- Project to be initiated and completed in fy 2009
- Project definition process will determine whether software will be utilized by a few “super users” in the division (standard practice within audit organizations) or whether a Departmental Solution (encouraged by vendor in conjunction with its new software product) will be pursued.
- Software vendor will provide training to OCAD staff and IT as needed.

**Priority**

**Constraints**

- None

**Exclusions**

-

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**PROJECT PHASE AUTHORIZATION**

<b>Phase(s): Project Management and Business Area Requirements Preliminary Estimate</b>	
<b>Total Estimated Application Services</b>	<b>Hours: 120      Cost: \$14,640</b>
<b>Total Estimated Technical Systems</b>	<b>Hours:                      Cost:</b>
<b>Total Estimated eGovernment Services</b>	<b>Hours:                      Cost:</b>
<b>Total Estimated CLEMIS</b>	<b>Hours:                      Cost:</b>
<b>Total Estimated Internal Services</b>	<b>Hours:                      Cost:</b>
<b>IT Application Services Division Manager Approval:</b>	<b>Date:</b>
<b>IT Technical Systems Division Manager Approval:</b>	<b>Date:</b>
<b>IT eGovernment Services Division Manager Approval:</b>	<b>Date:</b>
<b>IT CLEMIS Division Manager Approval:</b>	<b>Date:</b>
<b>IT Internal Services Division Manager Approval:</b>	<b>Date:</b>
<b>IT Management Approval:</b>	
Approved:                      Yes                      No	<b>Date:</b>
Reason:	
<b>Project Sponsor Approval:</b>	
Title:	<b>Date:</b>

**PROJECT SUMMARY**

<b>Authorized Development (see above)</b>	<b>Hours:</b>	<b>Cost:</b>
<b>Preliminary Estimated Development for Future Phases</b>	<b>Hours: 120</b>	<b>Cost: \$14,640</b>
<b>Grand Total Estimated Development</b>	<b>Hours: 120</b>	<b>Cost: \$14,640</b>

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**PROJECT COMPLETION AUTHORIZATION**

<b>Customer Acceptance of Product:</b>	
Title:	Date:
<b>Project Office Review:</b>	Date:

Continuous Auditing Process Implementation - Size Estimate (+/- 10% to 50%)

Type	ID	Task Name	Estimated	Estimated	Estimate Notes
			Hours	Cost	
Phase	000000	PROJECT MANAGEMENT	27	\$3,294.00	
Phase	010000	INITIAL SURVEY			
Phase	020000	FEASIBILITY STUDY			
Phase	030000	BUSINESS AREA REQUIREMENTS	93	\$11,346.00	
Phase	040000	BUSINESS SYSTEM DESIGN			
Phase	050000	TECHNICAL DESIGN			
Phase	060000	PROGRAMMING			
Phase	070000	IMPLEMENTATION			
Phase	080000	POST IMPLEMENTATION SUPPORT			
			120	\$14,640.00	

**DA8112AU - Continuous Auditing Process Implementation**

**3.1 - Provide an Enhanced Application Service Offering**

- 3.1.1 - Increase application integration through web services
- 3.1.2 - Research and develop a Constituent Relationship Management (CRM) strategy
- 3.1.3 - Promote mobility and location integration in business applications
- 3.1.4 - Utilize ecommerce platform to offset costs and expand product offerings to customers
- 3.1.5 - Improve the quality, reliability and availability of all applications
- 3.1.6 - Increase the agility and responsiveness of business units by expanding customer analytics
- 3.1.7 - Leverage the County's Internet presence and portal as a branded consolidated point of access to all County information and services through a web browser
- 3.1.8 - Centralize identity and access management for all applications and content

**3.2 - Enhance ability to provide effective and timely customer (County departments and CVTs) service**

- 3.2.1 - Implement a centralized service center strategy to provide a single point of contact for service delivery
- 3.2.2 - Implement the IT Infrastructure Library (ITIL) best practice framework for IT Service Management
- 3.2.3 - Define a service and support strategy that clearly identifies the IT service provided
- 3.2.4 - Provide a high-quality training program to empower employees through technology
- 3.2.5 - Develop a formalized customer communication plan
- 3.2.6 - Build IT Staff expertise through professional development
- 3.2.7 - Expand capacity through ongoing organizational review and selective outsourcing

**3.3 - Implement a Standardized Infrastructure Strategy**

- 3.3.1 - Deliver services using a shared technology infrastructure wherever possible
- 3.3.2 - Implement a Microsoft infrastructure strategy
- 3.3.3 - Implement a consolidated security strategy
- 3.3.4 - Establish a standard personal computing hardware and software product suite, SLA, and replacement schedule for all County personal computers
- 3.3.5 - Establish support cost model and SLA for all offerings outside 3.3.4
- 3.3.6 - Improve service availability through network design and management strategies
- 3.3.7 - Establish enhanced capacity planning and recovery management strategies

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**Continuous Auditing Process Implementation**  
 Return on Investment Analysis

Description	Project Summary						Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
<b>Benefits/Savings:</b>							
Tangible Benefits Subtotal:	0	0	0	0	0	0	0
Cost Avoidance Subtotal:	0	0	0	0	0	0	0
<b>Costs:</b>							
Development Services Subtotal:	14,640	0	0	0	0	0	14,640
Hardware Subtotal:	0	0	0	0	0	0	0
Software Subtotal:	0	0	0	0	0	0	0
Infrastructure Subtotal:	0	0	0	0	0	0	0
Training Subtotal:	0	0	0	0	0	0	0
Other Subtotal:	0	0	0	0	0	0	0
<b>Annual Statistics:</b>							
Annual Total Savings	0	0	0	0	0	0	0
Annual Total Costs	14,640	0	0	0	0	0	14,640
Annual Return on Investment	(14,640)						(14,640)
Annual Costs/Savings Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Project Cumulative Statistics:</b>							
Cumulative Total Savings	0	0	0	0	0	0	0
Cumulative Total Costs	14,640	14,640	14,640	14,640	14,640	14,640	14,640
Cumulative Return on Investment	(14,640)	(14,640)	(14,640)	(14,640)	(14,640)	(14,640)	(14,640)
Cumulative Cost/Savings Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Year Positive Payback Achieved							NO PAYBACK
State or Federal Mandate?							
<b>Signatures:</b>							
Benefits Reviewed By Project Sponsor	Date: _____						
Costs (including IT Resources) Reviewed By Information Technology Project Manager	Date: _____						
Costs (including IT Resources) Reviewed By Technical Services Manager	Date: _____						







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 Return on Investment Analysis

Cost Detail

Cost Description	Project Cost Category	Budget Category/Funding Source	Unit Desc	Units	Rate per Unit	Total Cost	Annual Multiplier	Affects Project ROI?							
								Y1	Y2	Y3	Y4	Y5	Y6		
IT Hours - New Development	Development Svcs			120	122	14,640		X							
IT Hours - System Maintenance	Development Svcs				122	0									
User Hours - New Development	Development Svcs					0									
User Hours - PTNE/OT	Development Svcs					0									
Contractor Professional Services	Development Svcs					0									
PC System - Acquisition	Hardware					0									
PC System - Maintenance	Hardware					2,304									
Notebook - Acquisition	Hardware					0									
Notebook - Maintenance	Hardware					2,372									
Mini Notebook - Acquisition	Hardware					0									
Mini Notebook - Maintenance	Hardware					2,196									
Laserprinter 1 - Acquisition	Hardware					0									
Laserprinter 1 - Maintenance	Hardware					1,104									
Laserprinter 2 - Acquisition	Hardware					0									
Laserprinter 2 - Maintenance	Hardware					1,208									
Laserprinter 3 - Acquisition	Hardware					0									
Laserprinter 3 - Maintenance	Hardware					1,860									
Image Workstations - Acquisition	Hardware					0									
Image Workstations - Maintenance	Hardware					3,496									
Terminals - Acquisition	Hardware					0									
Terminals - Maintenance	Hardware					644									
PRTR w/TERM ID - Acquisition	Hardware					0									
PRTR w/TERM ID - Maintenance	Hardware					1,072									
PRTR w/o TERM ID - Acquisition	Hardware					0									
PRTR w/o TERM ID - Maintenance	Hardware					1,072									
PC Maintenance User Owned	Hardware					2,304									
Printer Maintenance User Owned	Hardware					1,072									
Package Software - Acquisition	Software					0									
Package Software - Maintenance	Software					0									
Business Objects Access	Software					0									
Term Emulation SFTW-Acquisition	Software					0									
Term Emulation SFTW-Maintenance	Software					0									
Server - Acquisition/Upgrade	Infrastructure					0									
Server - Maintenance	Infrastructure					0									
Server Sftwre - Acquisition/Upgrade	Infrastructure					0									

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Cost Detail

Cost Description	Project Cost Category	Budget Category/Funding Source	Unit Desc	Units	Rate per Unit	Total Cost	Annual Multiplier	Affects Project ROI?					
								Y1	Y2	Y3	Y4	Y5	Y6
Server Sftwre - Maintenance	Infrastructure					0							
TBD	Infrastructure					0							
TBD	Infrastructure					0							
TBD	Infrastructure					0							
TBD	Infrastructure					0							
Internet Access	Infrastructure				180	0							
Project Staff Training	Training					0							
User Training	Training					0							
						0							
						0							
						0							
						0							
						0							

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Cost Detail

Cost Description	Project Cost Category	Potential Cost Extensions					
		Y1	Y2	Y3	Y4	Y5	Y6
IT Hours - New Development	Development Svcs	14,640					
IT Hours - System Maintenance	Development Svcs						
User Hours - New Development	Development Svcs						
User Hours - PTNE/OT	Development Svcs						
Contractor Professional Services	Development Svcs						
PC System - Acquisition	Hardware						
PC System - Maintenance	Hardware						
Notebook - Acquisition	Hardware						
Notebook - Maintenance	Hardware						
Mini Notebook - Acquisition	Hardware						
Mini Notebook - Maintenance	Hardware						
Laserprinter 1 - Acquisition	Hardware						
Laserprinter 1 - Maintenance	Hardware						
Laserprinter 2 - Acquisition	Hardware						
Laserprinter 2 - Maintenance	Hardware						
Laserprinter 3 - Acquisition	Hardware						
Laserprinter 3 - Maintenance	Hardware						
Image Workstations - Acquisition	Hardware						
Image Workstations - Maintenance	Hardware						
Terminals - Acquisition	Hardware						
Terminals - Maintenance	Hardware						
PRTR w/TERM ID - Acquisition	Hardware						
PRTR w/TERM ID - Maintenance	Hardware						
PRTR w/o TERM ID - Acquisition	Hardware						
PRTR w/o TERM ID - Maintenance	Hardware						
PC Maintenance User Owned	Hardware						
Printer Maintenance User Owned	Hardware						
Package Software - Acquisition	Software						
Package Software - Maintenance	Software						
Business Objects Access	Software						
Term Emulation SFTW-Acquisition	Software						
Term Emulation SFTW-Maintenance	Software						
Server - Acquisition/Upgrade	Infrastructure						
Server - Maintenance	Infrastructure						
Server Sftwre - Acquisition/Upgrade	Infrastructure						

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Cost Detail

Cost Description	Project Cost Category	Potential Cost Extensions					
		Y1	Y2	Y3	Y4	Y5	Y6
Server Sftwre - Maintenance	Infrastructure						
TBD	Infrastructure						
TBD	Infrastructure						
TBD	Infrastructure						
TBD	Infrastructure						
Internet Access	Infrastructure						
Project Staff Training	Training						
User Training	Training						

**Oakland County**  
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 Return on Investment Analysis

Cost Summary							
Cost Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
<b>Development Services:</b>							
IT Hours - New Development	14,640						14,640
IT Hours - System Maintenance							
User Hours - New Development							
User Hours - PTNE/OT							
Contractor Professional Services							
<i>Development Services Subtotal:</i>	<b>14,640</b>						<b>14,640</b>
<b>Hardware:</b>							
<i>Hardware Subtotal:</i>							
<b>Software:</b>							
<i>Software Subtotal:</i>							
<b>Infrastructure:</b>							
<i>Infrastructure Subtotal</i>							
<b>Training:</b>							
<i>Training Subtotal:</i>							
<b>Other:</b>							
<i>Other Subtotal:</i>							
<b>Costs Total:</b>	<b>14,640</b>						<b>14,640</b>

