STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
State Capitol
Nashville, Tennessee 37243-9034
(615) 741-2501

Justin P. Wilson
Comptroller

March 5, 2012

The Honorable Mark Emkes
Commissioner, Department of Finance & Administration
State Capitol
Nashville, Tennessee 37243

Dear Commissioner Emkes:

We initiated an examination of the troubled implementation of the Department of Children's Services new Tennessee Family and Child Tracking System (TFACTS) in June of 2011 after complaints surfaced of foster care providers not receiving timely payments. In our review, we determined the payments had not been timely, and there were also duplicate payments and problems with reporting. This is not the first problematic information technology implementation in the State of Tennessee, nor is it the only one recently experiencing challenges. There have also been problems in recent years with the Department of Human Services VIP system and the Department of Revenue's TRUST system. The attached report, chronicling the dysfunction in the TFACTS system implementation, is yet another example that supports the argument that the decentralized systems implementation process within the state is flawed, and we should formalize a new centralized process.

The details of our review are included in the report (Attachment A), but the main points are identified below.

First, the steering committee disregarded obvious and known problems with TFACTS prior to the decision to implement the system statewide. The steering committee knew that TFACTS had significant problems including problems with missing payments and deficient functionality. In addition, the department had contracted for an independent third party to review the development progress. That vendor advised against implementing TFACTS statewide.

Secondly, the steering committee compounded the mistakes and errors in judgment related to the decision to implement TFACTS statewide by failing to adequately track the record of problems with the system and proactively address the known issues. Duplicate payments occurred, missing payments continued, and the department failed to adequately oversee and maintain records of complaints.

Our recommendations are included in the report. The overarching recommendation is that the state develop a formalized process which involves a central, knowledgeable, and meaningful point of approval and on-going review of the acquisition and deployment of systems. Such a process should provide accountability and transparency for these expensive and resource intensive projects. Lessons learned in past implementations failures should be leveraged to reduce the risk of future failures. Until such action is taken, we are likely to repeat our past mistakes, resulting in delays in implementation, failures, and ultimate abandonment of systems involving significant taxpayer dollars.

The Department of Finance and Administration responded to our report (attachment B). Staff informed us that the Governor's Customer Focused Government Committee recognized this deficiency and formed a workgroup to recommend a long-term solution. This workgroup recommended a centralized "Business Solutions Delivery" team to lead large and high risk agency systems implementations. We agree that this is a step in the right direction. In our report, we recommended more centralized oversight to better control the acquisition and implementation of major systems based on best practices and leveraging lessons learned from previous successes and failures. We are hopeful that the Business Solutions Delivery team can fulfill this role.

The Department of Children's Services also responded to our report (attachment C). Although we had some minor differences in viewpoint, which we either adjusted or rebutted in the body of the report, the department concurred with the recommendations and identified actions the department will be taking to improve TFACTS and resolve identified problems. The department has also been working on their own internal review of the TFACTS system, acknowledging most of the weaknesses that we identified, as well as uncovering additional weaknesses in program areas that were not in the scope of our work. We view this work as a most positive sign.

Our primary concern moving forward is not necessarily with the TFACTS system itself, but with the overall approach used for system development and implementation. Top state officials should recognize all of the costs associated with ineffective system implementation projects, not only the dollars wasted, but also the inefficiencies created and the negative impact on the people the state is serving. We will be following the steps that the Department of Finance and Administration takes to improve system implementations across state government through our annual audit work. Failing to take appropriate action to establish accountability and transparency in systems acquisitions will condemn the state and its taxpayers to continued excessive costs and inefficiencies, not to mention degradation of services dependent on the systems in question.

The mission of the Comptroller of the Treasury is to improve the quality of life for all Tennesseans by making government work better. To that end, this communication is to document the failures that we discovered during our TFACTS review in hopes that certain lessons can be learned and the same mistakes will not be repeated.

Sincerely,

Justin P. Wilson
Comptroller of the Treasury

Cc: Harry Brooks, Chair, House Committee on Children and Family Affairs
Glen Casada, Chair, House Committee on Health and Human Resources
Rusty Crowe, Chair, Senate Committee on Health and Welfare
Randy McNally, Chair, Senate Finance, Ways & Means
Kathryn O'Day, Commissioner, Department of Children's Services
Charles Sargent, Chair, House Finance, Ways & Means

Attachment A

TFACTS SUMMARY REPORT

This report contains auditor observations resulting from an examination of late payments to foster families, adoptive parents, and residential care providers after implementation of the Department of Children's Services new Tennessee Family and Child Tracking System (TFACTS).

The Department of Children's Services' primary responsibility is to protect children from abuse and neglect. As a part of that mission, the department works through both resource families and institutional providers to achieve permanency and stability in the child's living situation. Some resource families provide temporary foster care until a child becomes part of a permanent family, either through adoption, permanent guardianship or through reunification with their biological family. These foster families receive support from the department for board and other expenses associated with raising a child.

Other resource families adopt children. When these children have certain special needs, the families receive monthly payments to assist in paying for those needs. Payments for adoptive support are made monthly.

Institutional resources provide children in state custody with services they need outside a family environment. These services include healthcare, mental health care, special educational programs, and placement in certain resource homes. The department pays institutional resources based on terms established in its contracts with individual providers. The department uses the TFACTS system to manage payments to resource families and institutional vendors, as well as other functions throughout the department.

TFACTS is Tennessee's statewide automated child welfare information system (SACWIS) which is partially funded by the Federal Government. To meet Federal funding requirements, SACWIS systems must meet the following criteria:

- be the sole case management automation tool used by all public and private social workers responsible for case management activities;
- hold a state's "official case record" - a complete, current, accurate, and unified case management history on all children and families served by the Title IV-B/IV-E State agency;
- support the reporting of data to the Adoption and Foster Care Analysis Reporting System (AFCARS) and the National Child Abuse and Neglect Data System (NCANDS); and
- send and receive data to a State's Title IV-A (Temporary Assistance for Needy Families), Title XIX (Medicaid), and Title IV-D (Child Support) systems.

TFACTS replaced 12 systems in the Department of Children's Services. This, in combination with the SACWIS requirements, made it a complex system to develop and implement.

In February 2006, the Department of Children's Services established a project steering committee (PSC) for the SACWIS (now TFACTS) project. The committee was responsible for monitoring project progress, addressing issues and planning next steps. The members of the PSC were:

- Dr. Viola P. Miller, DCS Commissioner,
- Bonnie Hommrich, DCS Deputy Commissioner,
- Thomas Riche, DCS Deputy Commissioner,
- Mark Bengel, Deputy State Chief Information Officer,
- Walter Mullen, Office for Information Resources Project Management Director, and
- Michael Bowie, DCS Executive Director, Office of Information Systems.

As the project progressed, the committee was expanded to include

- Joe Holzmer, DCS Deputy Commissioner,
- Lee Gregory, Project Management Office Director, Department of Finance and Administration;
- Nancy Schultz, Client Executive, North Highland Corporation; and
- Mike Latham or Kathy Baird, Project Managers, Dynamics Research Corporation.

Since implementation of the system, executive management of the Department of Children's Services has changed to include a new Commissioner and acting Executive Director of Finance and Fiscal Support. Dr. Miller, Mr. Riche, Mr. Mullen, Mr. Holzmer, and Mr. Bowie are no longer employed in state service. Ms. Schultz, Mr. Latham, and Ms. Baird have moved on to other projects. In addition, at the time we began our review, Ms. LeAnne Stribley was the Deputy Commissioner for Administration and Training; she has since resigned that position. Mr. Gregory left state service, but has returned and is currently the Deputy Commissioner for Information Technology and Finance in the Department of Children's Services.

On May 22, 2011, and again on June 16, 2011, the *Tennessean* published articles about foster care providers not receiving timely payments from the Department of Children's Services, and attributed the issue to failures of the department's new system, TFACTS. On June 26, 2011, the Division of State Audit began a review of the Department of Children's Services' TFACTS system.

Objectives and Methodology:

Our objectives in this review were to determine the extent to which the department has or is in the process of correcting any remaining payment issues, and identify "Lessons Learned" that may be applied to future large system implementations within state government.

We interviewed DCS administrative and Information Technology personnel who were either engaged in the development and implementation of the TFACTS system, or are currently engaged in the administration and maintenance of the system, or both. We also interviewed the Chief Information Officer (CIO) of the State of Tennessee who was a member of the steering committee responsible for the implementation of the TFACTS system.

We reviewed documentation related to the system implementation and the department's response to the TFACTS payment issues. In addition, we reviewed the department's payments for the Foster Care and Adoption Assistance programs and residential providers from July 1, 2010 through September 2011.

OBSERVATIONS

1. The steering committee and department officials disregarded obvious and known problems with the system, as well as the recommendation of an independent reviewer, when they made the decision to implement the system statewide.

Before and during the pilot implementation of TFACTS, steering committee officials knew that the system had significant problems, including deficient system functionality and missing payments. In addition, the steering committee had identified and endeavored to correct initial training efforts that had been ineffective.

Payment Adjustments

According to department management, financial management staff did not participate in the business process reengineering effort that was used to develop system requirements. TFACTS functionality, as developed, did not meet their needs for adjusting payments, and the limited functionality that was provided in the system was never used. Therefore, the system as used, was incapable of making payment adjustments to correct errors in payments that had been issued—an essential function of the system considering the dynamic nature of the population being served. In cases where a child's placement changed, but the record was not updated in time, the system needs the ability to retroactively recover the payment from the prior placement and make the correct payment to the current placement. Other circumstances involving payment adjustments include changes in a child's eligibility determination that would involve both state and federal funds. In these circumstances, recovered federal funds would have to be paid back to the federal government, or additional federal funds would have to be requested from the federal government. As of September 30, 2011, the system still did not have this critical capability, in

the form needed, and the department's fiscal staff were using labor- and time-intensive manual processes to attempt to maintain accurate accounting with the federal government. Performing these processes outside of the computer system is a major noncompliance with the federal requirements for such systems.

Foster Care Phone-in

Another deficient functionality that was not used was the Foster Care Phone-in. Under the prior system, DCS foster parents were required to call an automated phone line during specified periods each month to verify that the child or children for whom they were receiving payments were still in their care. This process was implemented to address findings by State Audit over the years that payments had been made to individuals who no longer had physical custody of the children for whom the payments were made. Before the process was implemented in the prior system, individuals continued to receive checks once they were entered into the system and it was up to the department to find out later whether they had in fact been eligible for the payments. Individuals who had been overpaid often took the position that they didn't know they were not supposed to receive the money since they presumed they were being paid just to keep a space open in their homes for another child should the department assign a child to them in the future. The phone-in process appropriately shifted responsibility to confirm custody to the persons receiving the payments; the presumption being that without their affirmative confirmation, they no longer had custody and no payment would be made.

At the time TFACTS was implemented statewide, this feature was not turned on, and parents received payments without this verification. Instead, the burden was on case managers to verify the placement of each child. In fact, TFACTS' default setting negated the prior control by making the payment unless it was stopped by the regional fiscal director. The result of negating this control is to open the door even wider to the risk of fraud, waste, or abuse, and virtually assure that overpayments will be made and not caught in time.

The department did begin phasing in the Foster Care Phone-in as of January 2011. At this time, however, TFACTS issues payments even if a family fails to call in at the appropriate time. The system only delays the payments by approximately two weeks. Since a payment is still made after the two week delay, even without confirmation of eligibility, the delay has limited, if any, positive effect on improving the phone–in process as a control over improper payments.

Financial Reporting

Financial reporting is not readily available. Although there is a data warehouse to provide reports for some program areas, financial staff rely on staff in the department's Office for Information Systems to run complex queries, then use the results of the queries to create ad-hoc reporting and external databases as "workarounds" to compensate for the lack of defined,

tested, system reporting. These workarounds create additional strain on resources and increase the risk of errors and mistakes in the reports created. In short, information needed to effectively manage the system and evaluate its ability to make accurate, timely payments is not readily available. According to staff, they will not be able to complete data warehouse reporting features for the financial area until TFACTS' financial functions are corrected and complete.

In summary, SACWIS requirements identified in the original contract were not and are not complete.

Unsupported Development Software

The department signed the contract with the implementation vendor, DRC, in April 2008. In May 2008, one month later, OptimalJ, the software application DRC had planned to use to coordinate the programming, was discontinued. Nonetheless, the steering committee, though aware of the problem, chose to allow DRC to proceed using OptimalJ. This was a crucial, long-term decision since the software provides tools that allow the programmers to accurately link parts of the program together to execute commands consistently throughout the system. In addition, it serves as the:

- compiler for the system, which translates commands into codes the computer can execute,
- editor for the code that is written into the system, and
- debugger, which tests commands for errors.

The use of an unsupported development environment increases the risk of operational dysfunction, fraud, waste, and abuse. Laws and regulations related to SACWIS systems change frequently and thus require the systems to be changed to address them. Therefore, the unsupported development software also increases the overall cost of the system and reduces the effectiveness of the program because it will be more difficult to find developers with OptimalJ experience and there will be limited technical support from the company that had developed it.

Missed and Duplicated Payments

The department has experienced problems with payments since the beginning of the pilot period, and those problems have continued to the present day. Some payments have been quite late, others have been duplicated. Because of reporting issues with the system, the department has not been able to tell the extent of incorrect or even missing payments without relying on vendors and families to report them.

Department management identified issues with vendor payments immediately after the pilot phase began and before full implementation commenced. In an e-mail dated August 28, 2010, just prior to full implementation, Deputy Commissioner Bonnie Hommrich noted that providers were "extremely anxious" about the implementation of TFACTS and that some of

them had not been paid for the children from the pilot region for services provided in June 2010. Our review of payments made from TFACTS during the pilot period noted that there were no payments to residential providers made during the month of June 2010, and that of the $6.9 million in services provided in June 2010, less than $1 million had been paid by the end of the pilot period, August 31, 2010.

In March 2011, the department's Internal Auditor released *Residential Treatment Service Payments Audit Report* for the period January 1, 2010, through December 31, 2010. The report focused solely on residential providers and identified 182 duplicate payments for a total of over $558,000. The report stated, "It appeared that the majority of payments were the result of manual payments to Private (residential) providers when TFACTS went live statewide. . . ." When TFACTS was implemented, the contracts did not always convert from the previous system correctly, and some residential providers were not paid. To avoid creating a hardship on the providers, the department made manual payments based on account balances submitted from the providers. After making the payments, the department recognized that it had issued duplicate payments and began the process of recouping them. The report also stated, "TFACTS as designed has strong controls to prevent duplicate payments to vendors. The department expects all components of TFACTS to be operational by June 30, 2011." Management concurred with the report. At the time of this report, however, the system is still not functioning as designed.

Initial Training Efforts Needed Improvement

During auditors' initial interviews, department staff stated that inadequate training was one of the biggest issues they faced during TFACTS' pilot period. As a result, the department initiated new training efforts, including storyboards and webinars, to supplement those provided by the vendor. Storyboards are step-by-step instructions showing the screens and information needed to complete them. Each storyboard focused on accomplishing a particular task. According to staff the original vendor training had focused primarily on how to navigate within the system, and management identified users' need for more training on how to use the system to accomplish their job duties. In fact, the IV&V Post-Implementation Analysis Report, dated September 27, 2010, noted, "TFACTS training was less than effective in preparing both the Pilot and Statewide end-users for system use." Auditors reviewed storyboard training modules for several of the system's functions, and noted that the storyboards were published in July and August 2010, during the pilot implementation period.

IV&V Implementation Readiness Review

Based on a recommendation by the federal Administration for Children and Families (ACF), the department incurred the cost to contract with the North Highland Company to perform Quality Assurance/Independent Verification and Validation (QA/IV&V) throughout the life of the TFACTS project. One of the QA/IV&V reports presented was an implementation readiness review dated August 18, 2010. That study confirmed, prior to the full implementation,

that the system was materially flawed and that it should not be implemented without major improvements, stating, "At this time, the North Highland Company cannot support a decision to proceed with a statewide implementation of TFACTS given the current instability of the system (i.e., both functional and environmental issues remain)."

The review noted that the backlog of Priority 1 and Priority 2 defects exceeded the existing capacity to resolve them without impairing the statewide implementation. The report also questioned the help desk's ability to address issues in a timely manner. The QA/IV&V readiness review defined Priority 1 (P1) defects as those that totally shut off operations in a specific functional area and need to be fixed immediately in order to recommence operations. It defined Priority 2 (P2) defects as those that do not shut down a functional area, but could have an adverse impact on the work process or data if left unresolved during the long run. According to the Implementation Readiness Report, there were 71 P1 and 111 P2 defects as of August 16, 2010, and the help desk averaged over 27 days to resolve issues.

North Highland's analysis was confirmed by information developed by department staff prior to statewide implementation. According to a status report provided by the department's Executive Director for the Office of Information Systems, there were 71 P1 and 113 P2 on August 30, 2010, the day before the system was implemented statewide. In spite of the realization that there were problems immediately with the pilot program as well as the report from North Highland and the information from their own department staff, the steering committee made the decision to implement the program in the remaining 11 regions on August 31, 2010.

As noted above, we obtained documentation of the August 18, 2010, QA/IV&V Report that could not support a decision to proceed with statewide implementation of TFACTS. However, according to the department, the QA/IV&V staff attended the final meeting subsequent to this review where there was a unanimous decision to go-live. The state's Chief Information Officer stated that the vendor was at the table and was in concurrence when the decision was made. The vendor stated in a subsequent interviews that it never changed its position regarding implementing the system statewide. QA/IV&V representatives described a collaborative process whereby once the vendor realized the decision by the steering committee was going to be to move forward, they worked with the state to make the implementation as successful as possible. QA/IV&V staff stated that they would not have had a vote in the decision. The question might be resolved with the documentation of the final sign-off for the decision to implement, however, many requests were made to state officials, and the documentation was never produced.

2. The steering committee and department officials have compounded the mistakes and errors in judgment related to the decision to implement TFACTS statewide by failing to adequately track the record of problems with the system and proactively address the known issues.

While users have endeavored to implement TFACTS, they have continued to report issues with the system which have not yet been appropriately addressed. In addition, the system's lack of critical reporting capabilities has prevented management's determination of the extent of overpayments or duplicate payments. As a result, management has relied on persons who did not receive payments to complain. The department's lack of oversight related to the complaint hotline, however, has not allowed management to determine the extent of missed or incorrect payments.

Duplicate Payments Have Continued

Recognizing TFACTS's inability to make payment adjustments, the fiscal staff requested system data to identify subsequent duplicate payments, or payments where the dates of service overlapped with others that had also been paid. Since the system cannot generate a report of this information, fiscal staff requested staff from the department's Office of Information Systems (OIS) to extract data that fiscal staff then entered into a FoxPro database for manual analysis. As of October 15, fiscal staff had identified approximately $700,000 in additional duplicate payments, and began requesting reimbursement for identified overpayments in November 2011.

While the department may be able to collect duplicate payments by reducing future payments by the amount overpaid, if the payee is no longer in the program recovery may be difficult and result in increased costs. Further, it is conceivable that the children might be negatively affected if their resource family has already spent the extra money and does not have adequate funds to care for the children when payments have been reduced.

Although we confirmed the timing and amounts of the payments made, neither department staff nor our office can give any assurance that there are not missing payments, or if all payment amounts are accurate. The system is not reliable enough to provide such assurance.

According to staff, the department prioritized payments to resource families over payments to third-party providers. Auditor analysis confirms that statement. As of September 30, 2011, analysis of payments made since the implementation of TFACTS showed that the department has consistently made an average of 98 percent of payments to resource families within 30 days of the ending date of service. (See Chart A.) According to the contracts that the department signs with foster families, the department agrees to pay "on or about the 1st and the 15th day of each month for the corresponding two-week service period." For adoptive families, payments are made on or about the first of the month for the current month.

For the same period, the department paid an average of 66 percent of residential vendors within 30 days. (See Chart B.) It should be noted that residential vendors are required to submit invoices for services before the department issues payments. Therefore, some differences in payment times are expected.

Payments to Resource Families
Made within 30 Days
September 1, 2010 through August 31, 2011

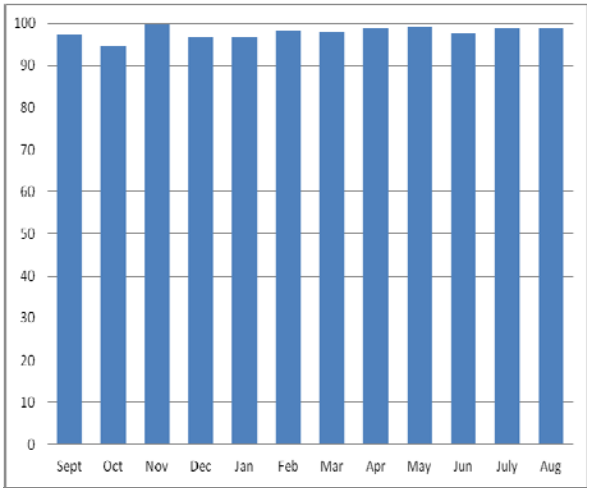

Chart A

Payments to Residential Facilities
Made within 30 Days
September 1, 2010 through August 31, 2011

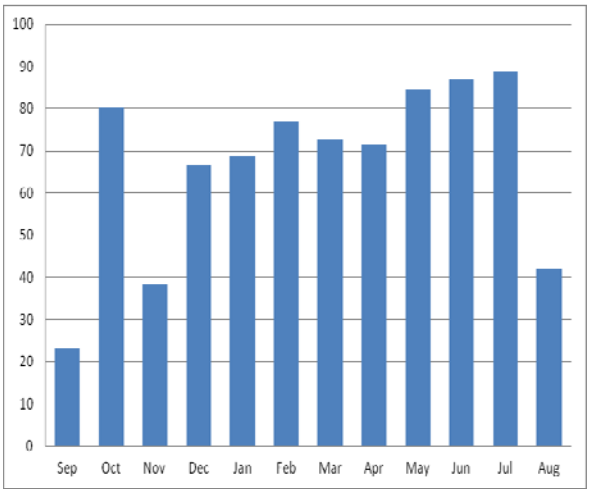

Chart B

<u>Hotline Established but Due to Limited Oversight and Failure to Maintain Records of Calls It Is Impossible to Gauge Its Usefulness</u>

Resource families who did not receive their payments began calling the department, which responded by establishing a hotline to receive the calls. However, the department has not maintained historical records of the calls, so it is not known how many calls were made, or the final outcome of many of the calls, though staff have noted that they had worked approximately 900 calls by December 2010.

The department has not established centralized oversight to monitor the volume or severity of the issues reported. Interviews with department staff noted that at the time of this review the calls were received by staff in the Protection and Permanency Division. If the Protection and Permanency staff can resolve the issue, they do so and do not document the call except writing that they received a call on a notepad as the call is received. Calls that Protection and Permanency staff cannot resolve are logged into a spreadsheet and periodically transmitted to fiscal staff. Each transmission is sent on a separate spreadsheet, so there is no cumulative record of calls. To resolve a call, fiscal staff generally require information from the regional case management staff to determine the appropriate course of action. When they obtain the

appropriate information, the fiscal staff then correct the record in the system to generate the payment.

It seems unlikely that department management has been able to evaluate the effectiveness of the resolution process considering the lack of essential documentation. Auditors obtained several examples of the spreadsheets, and attempted to measure the time required to completely resolve calls. While we could review individual calls, and were able to determine that some calls took as long as a year to completely resolve, the data in the spreadsheets was not entered to allow consistent evaluation of the current status or the time it took to reach its conclusion. For example, dates were not always entered as specific dates, but sometimes as ranges or "Before January 1." Also, the final resolution was not documented in a consistent manner. In one spreadsheet, there were five columns related to the resolution: "Solution," "Update," "Final Solutions," "Update <<as of date>>," and "More Update." Since the final resolution of a call could be in any of the columns, was entered as narrative, and often did not include specific dates, we were unable to quantify the time required to resolve calls.

One factor affecting the time to resolve calls was that there were only a few fiscal staff to resolve the calls received, and that the time and effort needed to resolve calls were additional duties on top of their regular responsibilities. Essentially, any error created elsewhere in the system "funneled" to a small number of fiscal staff to resolve.

System Defects Appear to Have Increased Dramatically

As noted above, the IV&V Implementation Readiness Review advised against implementing the system at that time in part because of 184 Priority 1 and Priority 2 defects. As of September 15, 2011, just over one year after the system was implemented there were 855 such defects, an increase of over 360 percent. The QA/IV&V Post-Implementation Analysis Report issued September 27, 2010, noted that users were not making full use of the existing system functions because they were still struggling to learn the system, and noted that as users became more proficient they would identify previously unknown system defects. However, a year after the system was implemented there should be fewer major defects, not several times more than existed at implementation.

In their comments to this report, DCS management has explained that the list of defects has not had appropriate oversight or maintenance since go-live, and the listing may not be reliable. This further demonstrates a failure to adequately track the record of problems and address known issues.

In light of the clear evidence that the system was not ready for implementation, and the need to incur even more costs by extending the contract to try to make changes to the system to make it more useful, the officials responsible for the decision to implement the system should

have, at the very least, taken steps to ensure that the problems with the system would be fully and accurately documented to facilitate the most efficient and effective correction possible.

RECOMMENDATIONS

Recommendations in this report have been separated into two parts. The first part addresses recommendations specific to correcting the issues noted with TFACTS. The second part addresses recommendations related to systems procurement in the state, in an attempt to correct underlying problems that have allowed situations such as those experienced with TFACTS to occur.

Recommendations Specific to TFACTS

Current top management of the department and the steering committee should seek advice from the top Information Technology Officials in Tennessee state government about the best approach to correcting the many problems that still exist with TFACTS in order to provide transparency about the program and its problems and efforts to achieve solutions to those problems; to provide accountability for the decisions going forward; and to attempt to avoid further confusion and errors in judgment about how to remedy the situation in the most economical and effective manner. In addition, those top Information Technology Officials should consider contracting for an independent technical review, similar to the one conducted during the implementation of Project Edison, to aid in the necessary determinations related to resolving the problems with TFACTS. Decisions made and actions taken with the assistance of these other officials would include but not be limited to:

- Reviewing the details of the Independent Verification and Validation study performed by North Highland as well as any other reports or information from North Highland, DRC, and any other parties involved in the development and implementation of TFACTS to determine if there is any information that can assist with the efforts to recover the system and see that it meets the demands that were envisioned at the outset of the project and that were promised by the vendor.
- Determining whether OptimalJ should be replaced with another development environment to facilitate future maintenance of the system.
- Determining the best way to achieve the functionality of all system capabilities, as originally represented to management by the vendor, including all necessary reporting, as soon as practicable, taking into consideration input from staff users concerning problems they are having with the system.
- Determining the best way to identify and correct other defects not related to system completion.

- Determining the best way to identify overpayments, including duplicate payments and to recover them as quickly as possible.
- Eliminating manual checks except for unusual circumstances which are fully documented and approved and are adequately and timely recorded in TFACTS to avoid resulting overpayments.
- Determining the best way to correct any records in TFACTS that do not reflect the final resolution of questioned payments or amounts still owed to resource families and third party vendors.
- Establishing a transparent and accurate record of the number of Priority 1 and 2 defects, their status and efforts to correct them.
- Determining the full extent of "work arounds" and other actions staff are taking to compensate for the inadequacies of the system, including any manipulation of the records.
- Establishing a transparent and accurate record of the inefficient measures that staff are having to take to work around the current system, including additional layers of review and coordination that are being required due to the inadequacies of the system, their status and the efforts to streamline the work to make it more consistent with the promises that TFACTS offered for efficiency and effectiveness.
- Reviewing the current phone in processes and establishing effective and efficient procedures which actually provide adequate controls for identifying eligible recipients of payments before the payments are made, and changing the default setting in TFACTS that makes payments unless they are stopped by a staff member or a regional fiscal director.
- Developing written policies and procedures for individuals taking hotline calls to document those calls so that that information can be used in determining the extent of eligible individuals not receiving payments, and eliminating the extra steps required in resolving such calls by the staff taking the calls who have to contact regional staff to conclude the matters.
- Identifying those points in the process where staff are being overloaded with extra work due to problems with the system and taking measures to reduce those levels of extra work; and
- Assessing the current and future training needs of staff and providing the necessary training.
- Formally assessing and documenting the risk of fraud, waste and abuse resulting from the problems with TFACTS, the degradation of existing controls by staff seeking to work around the system, and the frustration of staff and the stress and negligence that can result

from staff having to work with such a dysfunctional system, often with time deadlines and with additional work that degrades their efforts to do their primary job.

- Formally developing and documenting effective internal controls to mitigate the identified risks of fraud, waste, and abuse.
- Determining what legal rights the state has against any vendors involved in the sale, development, and implementation of TFACTS and pursuing those rights.
- Immediately advising the appropriate federal officials of the shortcomings of the system and its noncompliance with requirements for Statewide Automated Child Welfare Information Systems (SACWIS).
- Immediately reviewing its processes related to the acquisition and implementation of information systems and consider the lessons learned from the TFACTS project in amending the processes and the practices to avoid future disasters.

Recommendations Related to Statewide System Acquisition

Top state officials should recognize all of the costs associated with ineffective system implementation projects, not only the dollars wasted, but also the inefficiencies created and the negative impact on the people the state is serving. This recognition is particularly important in regard to vulnerable citizens, such as children needing a permanent home, that the TFACTS project represents. These top state officials should use the lessons that hopefully have been learned with this project to develop an effective centralized office to better control the acquisition and implementation of major systems throughout state government. The centralized system development office should:

- Provide transparency to the public and the general assembly concerning such projects and their progress.
- Provide better, real-time accountability for the projects, so that departments and agencies are not able to make independent decisions which are contrary to good practices and inconsistent with recommendations from independent third parties.
- Develop a complete and documented inventory of all system development projects which are either just beginning or are in some phase of acquisition or implementation.
- Recognize and address the pressures on state officials to move forward with systems when there is a need for more time to ensure that the systems are fully operating as planned and designed.
- Consider litigation against vendors who misrepresent the capabilities of the systems they are selling the state; who fail to adequately support the development and implementation of the systems; or who otherwise are negligent in their responsibilities to the state for the

systems. A consistent approach to holding vendors accountable for their promises is essential to creating an environment in which vendors will understand the consequences of failing to meet their obligations to the taxpayers of the state.

- Require that the agency or department seeking to acquire a system obtain an Independent Verification and Validation (IV & V) study from a reputable vendor regarding the readiness of the agency or department to manage the system. All IV&V reports should be shared with the centralized office, which should review them and determine whether the entity is capable of managing the new system before the entity can go forward with implementation.
    - If an entity does go forward with implementation, it should be required to follow any of the recommendations contained in the study, unless it can convince the central office that the recommendation is not applicable. Before accepting such an argument, the centralized office should seek the advice of the state's top Information System officials.
- Develop a checklist of processes an agency or department seeking to acquire a system should have in place before it seeks the acquisition. There should be a formal process for the agency or department seeking a system to present evidence of its readiness and compliance with the checklist to a centralized office for effective review and approval of their processes before the acquisition begins.
    - Those checklists should, among other things, include requiring agencies or departments acquiring such systems to demonstrate that they have a robust problem resolution system in place before the acquisition. The problem resolution process should be based on a realistic assessment of the risks associated with system failures and a method of identifying the variety of approaches to mitigate those risks and to promptly and effectively address issues that do arise.
    - The checklists should also require agencies or departments acquiring systems to evaluate the new system's process flow to its ultimate outcomes (e.g., payments) to determine any potential "bottlenecks" where problems created elsewhere in the system could flow to a relatively small staff for resolution. Once these areas have been determined, the centralized office should require these entities to take pre-emptive actions to deal with potential bottlenecks to minimize the risks they would have on the effective operation of the system.
- Require agencies or departments seeking new systems to advise the centralized office of any material problems incurred in the acquisition or implementation of the system completely and in real time, so that assistance can be provided to avoid even larger and more expensive problems later.

- Require agencies and departments implementing new systems to ensure that they have effective and relevant training for their staffs before the system is implemented. If the training is to be provided by the vendor, the entity should have staff who will be users review the training beforehand to ensure that it meets their requirements.
- Require agencies and departments planning to acquire a new system to not only establish a formal methodology of determining the expected costs of the project on the front end, as is done for the Information Technology and Budget Committee, but also be required to capture any additional costs that are incurred as a result of problems with the implementation of the system, such as was the case with TFACTS and other systems which failed to achieve the results expected. Those costs should be made public.
- Require, whenever a system is beset by major problems such as TFACTS has been, the responsible entity to present a formal report that describes in adequate detail all of the steps that led up to the problems, why they were not anticipated, what steps were taken to deal with the problems and the time the project was delayed due to these problems, the impact on the citizens served by the system and the additional costs incurred due to the problems. The report should be made public.

It should be recognized that there are many more suggestions that could be made concerning the need for improved coordination and control of the acquisition and implementation of new information systems by state agencies and departments. Each situation will have its own unique circumstances and challenges. However, there are many common problems when systems fail to achieve the expected results. It should be the responsibility of the centralized office to begin developing a listing of the many problems encountered in all acquisitions of major information systems so that a coordinated effort can be made to advise entities who are acquiring such systems of the pitfalls they will face and so that there is a standard against which their performance in acquiring and implementing the systems can be measured. Failing to take this action to establish accountability and transparency in system acquisitions will condemn the state and its taxpayers to continued excessive costs and inefficiencies, not to mention degradation of services dependent on the systems in question.

Attachment B

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE FOR INFORMATION RESOURCES
312 ROSA L. PARKS AVENUE
SUITE 1600, TENNESSEE TOWER
NASHVILLE, TENNESSEE 37243-1102
(615) 741-3700
FAX (615) 532-0471

MARK A. EMKES
COMMISSIONER

MARK BENGEL
CHIEF INFORMATION OFFICER

Ms. Kathy Anderson, Assistant Director
Division of State Audit
15th Floor J.K. Polk Bldg.
Nashville, TN 37243

Dear Ms. Anderson:

The Comptroller has asked for the State Chief Information Officer's comments in regards to actions being taken to improve outcomes of State Agency's large-scale Information Technology (IT) projects, I believe it might be helpful to start with some history to better understand the evolution of the State's approach to IT.

Many years ago when the mainframe was the primary computing tool at the state, all IT resources were centralized. As personal computing and server based systems emerged, agencies began collecting a few servers that were housed at agency sites. This grew over time and server closets quickly turned into server rooms. Agencies began acquiring development and systems staff to support these smaller, distributed systems. As distributed computing became more widespread and complex we began to see an increasing need for programmers, systems administrators, storage specialists, database administrators (DBAs), and other costly specialized staff in the agencies. During the period of transition from mainframe to server based computing, Central IT and Agency IT were duplicating efforts for both development of business software and support of hardware systems.

As distributed IT systems became more complex and critical to agency business functions and the operations of government, the costs associated with reproducing the increasingly specialized skills from agency to agency increased as well. Soon, larger agencies realized that they needed more robust, redundant, and fault tolerant environments to house their critical systems. We began to see mini data centers emerge at the Departments of Labor, Workforce Development (LWFD), Health, TennCare, Transportation (TDOT), etc. While these environments had basic redundancy they were a far cry from meeting industry standards for mission critical systems. A short time later, we began to hear of agency plans to build Disaster Recovery sites. Running and staffing separate data centers and disaster recovery sites across state agencies raised serious concerns.

In May of 2006, it was decided that this decentralization would be reversed across the executive branch before it became unmanageable. The state decided to take a corporate approach and centralize all IT infrastructures across executive branch agencies. To support this, the governor approved the building of a new "State of the Art" primary data center to house agency systems. A division of duties was established that charged the Office for Information Resources (OIR) with responsibility for all IT infrastructures and shared services; and charged Agency IT with responsibility for developing and maintaining the agency's vertical business systems. OIR mainframe programmers were transferred to the agencies they supported. At the same time, a program was initiated to move all agency servers and similar assets to one of the state data centers as the existing agency equipment reached end of life Support of agency workstations was left with Agency IT for the first phase of the initiative with the thought that this function could be centralized at a later date.

There was discussion about centralization of all IT development resources across the executive branch. However, with the move from mainframe to distributed computing it was realized that the days of maintaining centralized development staff to develop large scale systems "in-house" were over. The complexity of distributed systems and the cost of the professional developers to program them were beyond the state's reach. For example, the VIP project has had up to two hundred staff working on that project alone at a given time. OIR would not have the ability to maintain the numbers of costly professional staff required to run multiple projects or bench them in between projects. The approach emerging across industry was to have specialized vendors deliver a given product that would then be maintained by the customer after it was delivered. We also felt there was a benefit to having an IT presence within the agency that would understand the agency's processes, procedures, business needs, and priorities. Finally, from a political standpoint, Agency leadership was not yet ready or willing to give up control of this function.

As we centralized server and other equipment to state data centers we did not centralize agency hardware support staff. Instead, we used technologies such as virtualization to allow all systems to be supported with existing OIR staff. The thought was to leave the staffing savings to agencies with the assumption that these savings could be re-directed to support the development and modernization of agency software systems.

While the centralization of infrastructure has been successful, the decentralization of systems development to agencies has been "hit and miss." The skills, experience and resources for the development, integration and maintenance of agency business systems vary widely from agency to agency. As a result, the state has experienced challenges with a number of large agency development projects, which have resulted in delays, cost overruns, or outright failure. We have also seen instances where state staff have been challenged to transition from legacy system support to support for advanced systems once provided by the vendor. These issues have recently come to a head with development projects such as TRUST, VIP, and DIDD's single integrated application system.

These issues were discussed with Governor Haslam's Customer Focused Government Committee in July of 2011. This Committee consists of a subgroup of Cabinet members, Governor's office staff, the State CIO and the Deputy Commissioner for TennCare. As a result of these discussions, a workgroup was formed consisting of agency business leadership, Department of Human Resources (DoHR), the state Procurement Officer and IT leadership to study the problem and recommend a long-term solution.

The workgroup discussed numerous causative and contributing factors to project failures including; lack of accountability and oversight, inadequate or misaligned staff skills, poorly defined or missing business requirements, a procurement process that favored lowest bid over best value, lack of contract management discipline, implementation strategies favoring large scale rather than incremental deployments, lack of executive involvement, inadequate communication and training.

The majority of the issues were traced back to a lack of required knowledge and skills, process maturity and discipline, and executive oversight. Successful development and integration of large-scale business systems requires some of the most advanced, sought after and costly skills in the IT industry. Agencies have been challenged to attract these limited professional resources and meet market salary requirements. Further, agencies may only implement these larger scale systems once every ten to fifteen years so "lessons learned" are long forgotten. Agencies are often starting from square one in developing the appropriate skills, strategies, processes and disciplines to execute. In some cases, we are asking agency IT Directors nothing more than a general IT background to oversee complex business system implementations ranging in the tens of millions of dollars.

In October of 2011 the Customer Focused Government IT subgroup recommended that a centralized "Business Solutions Delivery" team be established to lead some of the largest and highest risk agency IT implementations across the Executive Branch. The group would consist of a range of professional disciplines required to support and lead complex business system integrations. This would include; Senior Business Analysts, Senior Project Managers, Training and Communications Specialists, Testing and Quality Assurance Professionals, Contracts Management Specialists, and Conversion Services Specialists. The Business Solutions Delivery team would strive to acquire the best IT systems integration talent available with license to acquire them at market rates. This professional group would be assigned to lead agency implementations, develop consistent best practices, provide appropriate project disciplines, and assure "lessons learned" were applied to future strategies and processes refinement from engagement to engagement. It was recommended that this group report directly either to the Commissioner of the Department of Finance and Administration or to the Governor's Office to assure appropriate executive oversight. This approach still requires heavy involvement of agency IT and business resources, but it provides agencies professional guidance, leadership, discipline, and process maturity for the more costly and high-risk business system implementations.

In November of 2011 Commissioner Mark Emkes discussed the Business Solutions Delivery concept with Governor Haslam, who gave his endorsement to further explore the implementation of this solution. Stephanie Dedmon was appointed to lead the group and a placeholder was included in the FY 2013 budget to fund the effort. We received approval to get a head start on initial recruiting using existing OIR positions and available funds in December of 2011. Discussions have been held with a number of Commissioners resulting in agreement for "Business Solutions Delivery" involvement in a number of the state's most critical and high-risk up-coming implementations. These include; LWFD's multi-state Unemployment Insurance system, Department of Safety's Driver License System, Commerce and Insurance's licensure system, and DIDD's Titan system.

The administration is very serious about improving outcomes with agency business system implementations. The Business Solutions Delivery group is a first step in this road to improvement.

Respectfully,

Mark Bengel
Chief Information Officer
State of Tennessee
Office for Information Resources (OIR)
(615) 741-7951 Office Phone
(615) 945-5171 Cell Phone

Response to Comptroller's TFACTS Summary Report:

The Department of Children's Services (DCS) welcomes the Comptroller's recommendation that an independent technical review of TFACTS be conducted. In addition, at the end of this response DCS has included information on TNKIDS, TFACTS' predecessor, and the current status of TFACTS to help provide additional perspective.

TFACTS has some areas that do not fully meet contractual and/or staff requirements, particularly in the financial management area, but the majority of the TFACTS functionality is working outside the financial area (21 different business processes of the agency rendered 4,864 system requirements which were implemented across more than 800 web pages/screens).

DCS concurs that an Independent Technical Review Team will add value to the assessment of the TFACTS by conducting a line-by-line comparison of the requirements in the TFACTS contract against the vendor's proposal, what was or was not delivered, and the quality of the functionality delivered. The adequacy of the development and testing tools and processes used should also be included in the assessment, as well as an assessment of the training/knowledge transfer conducted and the technical skills of the staff to operate and maintain the TFACTS' technologies after implementation.

DCS believes the independent technical review should also include a review of the TFACTS Quality Assurance and Independent Verification and Validation (QA/IV&V) vendor contract. The state must determine how to strengthen its QA/IV&V contracts as the QA/IV&V vendor attended and had a voice at every Steering Committee meeting, reviewed and approved of, and signed off on each TFACTS contract vendor deliverable. QA/IV&V also participated in the "Go or No-Go" meetings. The first "Go-Live" date was delayed in part due to QA/IV&V's recommendation. However, QA/IV&V attended and participated in the final meeting where the staff was polled for a "Go – No Go" and which a unanimous "Go-Live" statewide decision was reached.

The department has also recently conducted a thorough TFACTS assessment encompassing the entire scope of the project. The assessment produced a comprehensive list of over 100 findings/lessons learned that identified actions, timeframes, and those responsible for correcting the findings during the coming year.

DCS has already initiated the following activities to improve the TFACTS functionality and support provided to the TFACTS customers:

- An assessment of the Office of Information Systems (DCS's internal information group) organization was conducted to determine:
    - Does the organization have the appropriate number and type of IT human resources with the necessary skills and experience to operate and maintain the agency's application systems and provide the required services in support of the agency's mission?
    - Is the necessary IT Governance (policies, processes, procedures) in place and are they being followed to achieve high levels of performance?
    - Does the organization possess the necessary tools to do their jobs efficiently?

- Is the organizational hierarchy appropriate and efficient to meet the mission and objectives?

This assessment has resulted in the reorganization of the OIS to provide better service and support to DCS; the initiation of hiring of additional staff with the appropriate skills and experience that was lacking; a plan to develop required IT governance policies and procedures; and the identification of areas where the appropriate tools are lacking or where other tools may be more appropriate to meet the needs of DCS.

- Working with the TFACTS "Super Users" (Team Leads / Case Managers) in the field to begin addressing the lack of adequate TFACTS training that staff received during development.
- Planning has been completed to establish a training environment for private providers and other TFACTS users to develop/hone their skills in using TFACTS functionality.
- Collaborating with the Ohio SACWIS project team on what they initiated to enhance their financial module. DCS has established a strong working relationship to share designs and code from both systems moving forward to reduce the development time to repair / enhance the respective systems.
- Contracting with Compuware to assess the TFACTS modules and code generated with the OptimalJ modeling tool. OptimalJ is being used by Ohio successfully with no issues. The Compuware assessment for DCS is ongoing, but initial indications are that the OptimalJ tool itself is not deficient, but the deficiency lies in how it was used (or not used in some cases) to develop the TFACTS models and code. A report from this assessment is due at the end of March.
- Successfully completed eight builds resolving over 420 defects since September.
- Major enhancements under development include:
  - Fiscal Defects Bundle (1st Quarter Release);
  - Placement Corrections (2nd Quarter Release); and
  - Court Re-Design (effort begins in February – 3rd Quarter Release).

The department concurs in part with the Comptroller's Audit findings and recognizes that the TFACTS does have functionality that needs improvement. Below are responses to some of the Comptroller's Audit findings that we believe warrant further clarification.

1. <u>Page 2 – Payment Adjustments</u>

<u>Response</u>:

The statement that the "system was incapable of making payment adjustments to correct errors in payments" is correct in part.

The Ohio SACWIS is the transfer system that was customized by the vendor in order to fit requirements enumerated in the Tennessee Request for Proposal (RFP)/contract. This Ohio transfer system came with payment adjustment functionality that met the stated RFP/contract requirement (see contract requirements at end of this response to payment adjustments).

Prior to the development of requirements for the RFP/contract, DCS conducted an in-depth business process re-engineering (BPR) effort that documented the business process flows and detailed requirements for each functional area with the exception of financial management. At that time, the financial management staff was involved in other activities and did not participate in the BPR activity. In retrospect, this was one of the department's major internal failings related to the TFACTS project. The consequence of financial management not documenting their processes and identifying detailed requirements was that the fiscal staff identified more robust payment adjustment requirements during the development of TFACTS than the vendor was contractually required to provide. Therefore, the automated adjustment functionality in TFACTS was never used because it did not meet fiscal's more robust requirements.

TFACTS was incapable of making payment adjustments that met the more robust requirements of the DCS Fiscal staff which were identified after the contract was signed with the vendor.

There are approximately 10 enhancement defects pending for this additional payment adjustment functionality. This more robust payment adjustment functionality will be completed and delivered after the prioritized bundle of fiscal defects currently under development and which is scheduled for delivery in the 1st Quarter of calendar year 2012. Design specifications have been written for development to begin. Below are the applicable contract references for the payment adjustment functionality.

TFACTS Contract Requirement:

Page 85 – FM011

"The system shall have the capability to allow adjustments to the funding mix due to changes in child / service / provider eligibility after payment has been made."

Page 105 – Financial Management

"The automated system must provide support for accounts receivable (e.g., overpayments, trust funds, SSI, etc.)."

2. Page 3 – Foster Care Phone-In

Response:

The statement that "Another missing function was the Foster Care Phone-In" is correct in part.

The Foster Care Phone-In functionality was in TFACTS at the time of "Go-Live", however, it was not turned on at the direction of DCS management until additional enhancements were made to this functional capability. The additional enhancements have been delivered and the Foster Parent Phone-In functionality is now fully operational in TFACTS. Payments will not be generated in instances where foster parents do not use the Phone-In system unless it is over-ridden by DCS Fiscal management staff.

DCS published a "Phone-In Foster Care Payment Delay Protocol" to all Resource Parents on January 17, 2012 that notified them that as of March 1, 2012 the practice of completing payments for families when the Foster Care Phone-In call has not been

made will stop. All Resource Parents must use the Foster Care Phone-In functionality in TFACTS or their payments will be delayed until the next Foster Care Phone-In period.

The Foster Care Phone-In Interface was not a specific requirement in the RFP/contract. This is another instance where a requirement was missed or not identified specifically enough in the RFP. During the joint application design (JAD) process it was discovered that TFACTS would not have the capability to interface with the existing Foster Care Phone-In system. This system allowed foster parents to, via an automated phone call, verify the children in their care for a given pay period. The contract called only for a method for foster parents to identify children in placement and the Vendor proposed a web based method to meet this requirement. However, the web based method could produce a gap where foster parents did not have access to the Internet to validate the children in their care. As such, a Change Order (CR-12) was completed for the Vendor to develop the Foster Care Phone-In Interface for $364,002. This Foster Care Phone-In Interface went through DCS acceptance testing, passed and the vendor was paid for its development.

After development, it was discovered that some of the requirements that were later determined to be needed and added as enhancements to the Foster Care Phone-In were not included in the original requirements document provided by DCS to the vendor. Consequently, additional enhancements were needed to be developed and added to the Foster Care Phone-In functionality. In addition, at the time of Go-Live, there were also issues with the SeTel Phone-In process and the number of lines needing to be activated to support the Foster Care Phone-In Interface. Therefore, the decision was made not to turn on the Foster Care Phone-In functionality in TFACTS until these enhancements and additional SeTel processes and lines were completed.

3. <u>Page 4 – Financial Reporting</u>

<u>Response</u>:

The statement “Financial reporting is not readily available” is correct in part.

The reporting team has created approximately 40 reports for Fiscal that are run on a schedule or as needed basis by DCS Financial Management out of the existing data warehouse. However, the data warehouse was not designed and developed adequately to produce reports as planned using the DCS Business Intelligence (BI) and Dashboard tool – MicroStrategy. As a result, special scripts were written to extract the data to be converted to a format compatible to populate an Excel spreadsheet. This excel spreadsheet is then posted to the Sharepoint site repository for access by the Fiscal staff. This is the “workaround” until the data warehouse is re-designed and developed and the BI tool is integrated with the Data Warehouse to produce the reports and dashboards as originally intended.

The inadequate Data Warehouse highlights one of the areas where DCS was not prepared with the appropriate technical skills and managerial expertise for the new technologies introduced with TFACTS. Prior to TFACTS, DCS did not have a Data Warehouse. The staff did not possess specific technical skills or management expertise in Data Warehousing. Consequently, the DCS team leading the Data Warehouse development accepted an inadequately designed and constructed Data Warehouse that

could not produce reports or dashboards from the MicroStrategy Business Intelligence tool it had purchased for this purpose.

In addition to the reports from the Data Warehouse, there are 15 fiscal reports that were required to run out of the TFACTS itself. Some of these reports from TFACTS are operational and are being used. Most are not and require enhancements to provide the data in the format required by the financial management team. The new Director of Data Management has made this one of his top priorities, which also includes the re-designing and development of a new Data Warehouse.

DCS is now in the process of designing a new Data Warehouse that will not only transform current data structures into an architecture that will support analytical processing, but one that will:

- Be easy to find and understand the data;
- Have a registration of metadata to the source and an audit trail of transformations;
- Send mastered data back to TFACTS to harmonize the "single version of the truth";
- Have a plain English library of metadata that will allow business users to mine their own data;
- Support dashboards and scorecards;
- Allow for many TFACTS requirements and enhancements to be implemented in the warehouse environment which will be easier to manage and will remain in a state of perpetual and proactive monitoring and improvement.

This process will take time, but will provide functional and usable features along the way. The Data Warehouse timeline includes:

- Q1 – Mapping the report fields from the group of Brian A. reports and other reports in process to the source columns in the application.
- Q1 – Taking the logical grouping of production tables, analyze the table-column inter-dependencies and relationships and transform them into a physical model of x-normal form. These logical groupings will be by functional groups such as Intake, Case Reporting, Financial, etc.
- Q1 – The logical groupings will be the basis for the data marts in the new warehouse and will be joined together by conforming dimensions and/or pivot tables which will be an abstract layer that will allow us to create extended virtual data marks for comprehensive reporting over multiple functional groups.
- Q1 – Reports that are currently pulling data from the "production style" database will be ported over to the new data mart populated warehouse.
- Q2 – Q1 processes will be iterated until all functional groups are in the new warehouse.
- Q3 – Metadata will have been registered ongoing from the beginning and will have maturation to the point that metadata should be the intelligence layer used for developing reports and this development should be starting to be done through the BI tool.
- Q4 – The new Data Warehouse will be operational and delivery of reports and dashboards will be through the use of the BI tool.

4. Page 4 – Unsupported Development Software

Response:

DCS does not concur that the use of the OptimalJ Model Driven Architecture (MDA) tool increases the risk of operational dysfunction, fraud, waste, and abuse.

The continued use of the OptimalJ Model Driven Architecture (MDA) tool does not in itself increase the risk of operational dysfunction, fraud, waste, and abuse. Regardless of the MDA tool used, the TFACTS models and Java code were not modified correctly from the Ohio SACWIS, or was the new TFACTS code developed correctly by the vendor. Using a different tool will not overcome the fact that DCS staff does not have the skill sets or experience in developing and maintaining the TFACTS application in a Java 2 Platform Enterprise Edition (J2EE) environment. DCS would still have the same skill set shortage regardless of the MDA tool used.

Prior to TFACTS the department's programming staff skills were in mainframe and power-builder applications. We are addressing our J2EE and OptimalJ skill shortages through knowledge transfer from Compuware OptimalJ experts and some key person hires with J2EE development skills and management expertise. In fact, the DCS level of expertise with the OptimalJ MDA tool has increased dramatically over the past two months with mentoring from Compuware. DCS staff has also been able to use the OptimalJ tool to perform major defect repairs and enhancements to the TFACTS successfully.

OptimalJ is a Compuware proprietary tool for MDA Java code development. The winning vendor requested to use this tool during the procurement and the state agreed to this request. OptimalJ 3.3 was used to develop the Ohio SACWIS and to this day the tool is functioning well in Ohio. The Ohio SACWIS code was converted to OptimalJ 4.3 by the vendor and was used as the baseline for the TFACTS. After the contract started, the vendor notified the state that OptimalJ 4.3 was going to be discontinued by Compuware and no further updates or enhancements would be made to the tool beyond version 4.3. The OptimalJ tool was still available for use, but maintenance agreements would not be renewed after current maintenance agreements expired. DCS made the decision to stay with the OptimalJ MDA tool because it was one of the best J2EE modeling tools in use at the time and because it would take longer and cost more for the vendor to re-code TFACTS out of OptimalJ.

The OptimalJ MDA tool is capable of producing defect free Java code. Ohio is using OptimalJ for their SACWIS and they are not having any issues with the tool. The difficulty DCS has is with how the OptimalJ MDA tool was used, or not used in some cases, in the development of TFACTS by the contract vendor and afterwards by DCS OIS staff. As stated above, properly used the OptimalJ MDA tool will produce defect free Java code. In addition, it appears the training and knowledge transfer provided by the vendor was inadequate to provide the DCS staff with the skills required to effectively use the OptimalJ MDA tool.

DCS has reached out to Compuware and their OptimalJ Subject Matter Experts to conduct an assessment of the TFACTS OptimalJ Models and code. The preliminary report from Compuware has determined that the TFACTS vendor did not construct the

OptimalJ models and code correctly with the appropriate constraints and inter-dependencies established. This is the cause of a number of performance and other deficiencies currently in TFACTS. The full assessment will be completed in late March. At that time, Compuware will work with DCS staff to correct the models/code to operate efficiently as it should have had the OptimalJ MDA tool been used correctly in the development of TFACTS. During the June timeframe, OptimalJ Models and other code will be repaired and the needed OptimalJ MDA tool knowledge transfer provided to DCS staff for continued operation and maintenance of the TFACTS.

5. Page 5 – Missed and Duplicated Payments

Response:

The statement "the department cannot tell the extent of incorrect or even missing payments without relying on vendors and families to report them" is correct in part.

DCS has reports that are run that will identify missing and duplicated payments. These are available and have been reviewed with fiscal staff for their use. These reports can be run ahead of scheduled payment cycles by fiscal staff that will identify potential missed and/or duplicate payments. There are many payment issues that can be corrected on the "front-end" rather than the "back-end" after missing or duplicate payments have occurred. DCS/OIS also provided a report to the Comptroller auditors on December 9, 2011 that provided metrics on the payments that were on-time, late, missing, overpayments, underpayments, etc.

DCS is aggressively pursuing fiscal defect fixes and enhancements. For example, during November 2011 the following Eligibility defects / enhancements were corrected:

- Title IV-E Age Eligibility records now display the correct 'Determination type' as 'Age'
- The 'Age Qualification Details' page now correctly displays, "child is mentally or physically handicapped OR is Fostering Connections eligible
- Users are now able to delete and rebuild converted reimbursement records without encountering system errors requiring data fixes by OIS
- When Reasonable Efforts is not obtained in the appropriate time frame, the system now recognizes it within the IV-E Eligibility determination and correctly determines the child to not be IV-E Eligible.

During January, Placements corrections were made to include:

- Enabling the ability to record placement corrections in order to correct payments; and
- Fixing the 'Insert Correction' functionality to ensure that incorrect placement records are reversed out, alleviating the potential of an overpayment.

In addition, there are two major system enhancements that are under development. There is a bundle of fiscal enhancements scheduled for release in February 2012 that includes the following:

- Data sync with Edison
- Retro-Adjustments of payments

- Rounding of funding dollars
- Change re-imbursement basis from disbursement date to warrant date
- Disassociate funding mix from service-level; create funding mix table in order to update all services collectively when the rate changes instead of one service at a time.

The 2nd Fiscal Enhancement bundle (Placement Corrections) has already been designed and is estimated for release in late-March / early-April. These fiscal enhancements include:

- Temporary Breaks
- Repayment Plan
- Placement Corrections
- Payment Adjustments

A thorough review of all pending defects and enhancement requests will be conducted during February 2012. Based upon that review, the remaining fiscal defects / enhancements will be bundled and prioritized for development and release during the 2nd and 3rd quarters of calendar year 2012.

6. Page 5 - Initial Training Efforts Needed Improvement

Response:

We concur that training was not sufficient leading up to the roll-out of a more complex system based upon a new business process (Family-centric as opposed to a Child-centric model).

DCS is launching the TFACTS Customer Care Center in late February. The Center will update and create new storyboards, get the TFACTS knowledge base updated and entered into the Remedy help-desk system for use by the TFACTS Customer Care staff, and update the on-line help to be more effective to the end-user. The TFACTS Customer Care Center will also be in the best position to determine what areas of TFACTS end users need training for. The Manager of the Customer Care Center is responsible for identifying those training needs and coordinating with the DCS training organization to provide that training.

7. Page 6 - IV&V Readiness Review and #2 – The steering committee and department officials have compounded the mistakes and errors in judgment related to the decision to implement TFACTS statewide by failing to adequately track the record of problems with the system and proactively address the known issues.

Response: The department concurs in part.

The DCS Commissioner at the time did delay statewide implementation based on staff and IV&V recommendations that more work was still needed, not only in fixing some of the functional and environment issues pending, but also to give more time for the regions to provide additional training to their staffs and prepare for go-live. There was a focused effort on resolving a significant number of the listed priority 1 and 2 defects

during the weeks prior to go-live and during those weeks the environmental issues were resolved. Of the 182 defects identified on August 16, 35 of the 71 Priority 1 defects and 50 of the 111 Priority 2 defects had already been repaired by go-live. However, the validity of the prioritization of the remaining priority 1 or 2 defects is in question due to the improper prioritization and fundamental lack of control over this process by DCS during this time.

The IV&V Readiness Review listed the 71 Priority 1 and 111 Priority 2 defects that were in "Track Record" as of August 16, 2010. However, the IV&V did not perform a thorough analysis of those Priority 1 and 2 defects to determine if the defects were in fact properly prioritized by the DCS staff and what would be the severity of the impact if those defects were not repaired prior by go-live. The internal DCS assessment has determined that there was some deficient functionality at the time of go-live, however, the 182 P1 and P2 defects listed in Track Record on August 16 presents a somewhat skewed picture of readiness for go-live when a thorough independent verification and validation of those defects was not performed.

A major process failing of the TFACTS project was the lack of discipline associated with defect prioritization and categorization. As a result, a great deal of time and effort was expended on correcting non-priority 1 defects.

- Priority 1 defects were defined as those that totally shut off operations in a specific business track / functional area and need to be fixed immediately in order to recommence operations.
- Priority 2 defects were defined as those that do not perennially shut down a business track / functional area and operations / testing can continue within the specific business track / functional area.

According to the DCS Project staff, everything became a Priority 1 defect because every functional area manager wanted their defects fixed first. Defects were not prioritized correctly and there was no discipline in the process used to ensure that reviews were held and correct prioritizations were applied. The closer to "Go-Live" the higher the percentage of defects that were designated Priority 1 or 2. Since the August 16, 2011 defect tally of Priority 1 and 2 defects, 93% of all defects entered into "Team Track" have been either Priority 1 or 2.

DCS is conducting a thorough analysis of each logged defect that is still in an active status to determine their correct priority and category, so that the most critical deficiencies are addressed first going forward. The DCS assessment also discovered that the defect list in "Team Track" had not been adequately maintained since "Go-Live" as there were defects still listed as open that had been closed for months. It also appears that the project staff logged entries for defects so they would have a "to-do" task list.

It is our opinion that if there were 182 true Priority 1 or 2 defects by the criteria above, then TFACTS would not be functioning at all.

8. Page 7 – System Defects Have Increased Dramatically

The statement "As of September 15, 2011…there were 855 such defects, an increase of over 360 percent." Is correct in part.

Response:

Data derived from the defect list in its current state is not reliable due to the following:

- There has been no maintenance/oversight of the defect list since "Go-Live", meaning there are a number of defects still showing in an active status which have already been resolved or are obsolete, but have not been closed out.
- The defects did not match the criteria for assignment to a particular priority prior to "Go-Live" and this has not been corrected as of this review.
- Defects were logged for a number of different environments and not just production. For example, the issue may only present itself in the staging or UAT environment, but not production. That could occur due to an improper build or data refresh.
- Some OIS staff are using track record (an application that is used to log TFACTS defects/enhancements) as a personal "To-Do" list of tasks and have a number of entries included on the priority defect list that are not valid defects.
- The defect list has also been used to document data fixes which are not functional defects. For example, when reports are run indicating that the field has not entered data into the TFACTS where it was needed, the BA's and testers have been creating a defect and entering it into TFACTS to document the data fixes they are performing for the field.

The bottom line is that the data derived from the defect list in its current state is not reliable.

During February 2012, a comprehensive review of the defect list will be conducted in order to correctly prioritize defects, close out defects that have been completed, and establish an ongoing weekly management review of the defect list to ensure it is maintained accurately and appropriately.

9. Page 7 – Duplicate Payments Have Continued

Response: The Department concurs in part.

Please see the response to number five. Payment 'Adjustment' functionality was included in the TFACTS application at the time of statewide implementation. Because the functionality was not considered to be robust enough to meet the needs of DCS, it was disabled. An enhancement request has been documented and foundational specifications have been drafted to initiate the design and development of the more substantial payment adjustment functionality.

Management reports are generated from TFACTS to identify potential duplicate payments. These reports are:

- Overlapping Placement Payments
- Overlapping Adoption Assistance Payments

Since these reports are generated frequently from TFACTS, the instances of 'overlapping' or 'duplicate' payments can be addressed prior to payment being processed, which in turn proactively and significantly reduces the potential of duplicate payments.

Management reports, which identify potential instances of missed payments, are also generated from TFACTS on a frequent basis. The reports are:

- DCS Resource Home Service Authorizations with Amount Owed for Pay Period (This report represents instances where a payment should have been generated and was not.)
- DCS Resource Home Payment Detail

Additionally, two new reports have been developed to support DCS Fiscal in identifying and resolving potential instances of missed payments. The two new reports are:

- Adoption Assistance Subsidies That Did Not Create a Payment
- Placements/In Home Service Authorizations That Did Not Create a Payment

Until the requested enhancements to TFACTS are implemented, these management reports, if consistently and uniformly used, can provide a significant reduction in the likelihood that any duplicate or overlapping payment would be processed and paid, or that any significant time would pass where a payment was missed to a DCS provider.

10. Page 8 – Hotline Established but Due to Limited Oversight and Failure to Maintain Records of Calls It Is Impossible to Gauge Its Usefulness

Response: The Department concurs.

This "Payment" hotline will become the responsibility of the TFACTS Customer Care Center. The TFACTS Customer Care Center will develop the hotline procedures to track calls and resolution, and produce monthly performance metrics for DCS management.

11. Page 10 – Recommendations (Consult with Top State IT Officials and Contract for an Independent Technical Review)

1st Bullet – Concur that any available documentation, including this TFACTS Summary Report, should be reviewed by the Independent Technical Review team and other Top State IT Officials to assist with developing courses of action to ensure that the contractual requirements of the TFACTS are fully realized.

2nd Bullet – At some point the OptimalJ MDA tool may need to be replaced, if it is determined that our staff does not have the skills to use the tool and/or that it does not meet the ongoing development and maintenance needs of the TFACTS. However, in the short term, DCS will focus on fixing the TFACTS J2EE models and associated code to improve performance and ensure that the DCS staff is appropriately trained on the use of the OptimalJ MDA tool.

3rd Bullet – DCS has laid out a course to achieve full functionality of all system capabilities in its internal TFACTS Assessment. DCS welcomes any additional input from top state IT officials and/or the Independent Technical Review Team with regards to what the vendor was contractually required to provide.

4th Bullet – DCS will be establishing a Change Control Board in early February 2012 that will evaluate reported defects and recommended enhancements to the TFACTS for prioritization and incorporation into a Release Work Plan. DCS welcomes input from top state IT officials and the Independent Technical Review Team in determining other ways to best identify and correct other defects not related to system completion.

5th Bullet – DCS has reports and a process to identify overpayments, including duplicate payments, while additional enhancements are made to the TFACTS. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team to determine other ways to best identify overpayments, including duplicate payments and to recover them as quickly as possible. See paragraph 5 above.

6th Bullet – The TFACTS generated reports 'Overlapping Placement Payments' and 'Overlapping Adoption Assistance Payments' should be used by Fiscal to reduce the potential of duplicate/overpayments and reliance on manual checks. DCS welcomes input from top state IT officials and the Independent Technical Review Team on additional ways to eliminate manual checks if possible. See paragraph 9 above.

7th Bullet –DCS welcomes input from top state IT officials and the Independent Technical Review Team to determine the best way to correct any records in TFACTS that do not reflect the final resolution of questioned payments or amounts still owed to resource families and third party vendors.

8th Bullet – DCS is conducting a bottom-up review of all active defects and enhancements during February 2012 to ensure that they are accurate and properly prioritized for repair and/or development. This will be conducted as part of a chartered working group with meeting minutes published. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team. See paragraph 7 and 8.

9th Bullet – DCS is conducting a bottom-up review of any workarounds and other work not done within the TFACTS during February 2012. This will be conducted as part of a chartered working group. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team.

10th Bullet – The focus of the Comptroller's audit was an examination of late payments to foster families, adoptive parents, and residential care providers. This was a very narrow scope of the vast amount of functionality that TFACTS provides. DCS will be conducting a Financial Management Business Process Reengineering (BPR) effort starting in March 2012 to document those processes and work flows, and tools/application functionality, that should have been identified prior to TFACTS being designed and implemented. Fiscal is still using obsolete FoxPro applications/databases that they used during the TNKIDS days to process data outside of TFACTS. If these processes are not in TFACTS they will be incorporated. If these processes are in TFACTS and not being used, we will determine what barriers are preventing their use and overcome those. There is no doubt that inefficient processes are being used to include additional layers of review and coordination that need to be addressed in order to streamline work processes. DCS welcomes an independent Technical Review based upon the contractual requirements regarding TFACTS capabilities.

11th Bullet – The Foster Care Phone–In process is functional and does provide adequate controls for identifying eligible recipients of payments before the payments are made. As of March 1, 2012, the practice of making payments to resource parents who do not use the Foster Care Phone-In process will be discontinued. DCS welcomes a review of the Phone-In process by an independent Technical Review Team, but does not believe any further enhancements are needed. See paragraph 2 above.

12th Bullet – DCS will develop written procedures for taking hotline calls and this function will become a responsibility of the TFACTS Customer Care Center in February 2012. DCS welcomes a review and input on the developed procedures and "hotline" operations from top state IT officials and the Independent Technical Review Team. See paragraph 10 above.

13th Bullet – We concur with identifying points related to staff overload and measures to reduce their workload. This will be a part of the Fiscal BPR effort to be conducted during March 2012. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team.

14th Bullet – DCS is already in the process of assessing skill levels of its staff, both in regards to staff using the TFACTS and staff which are required to operate and maintain the TFACTS. This is an ongoing process resulting in revised training, training aids, and environments. DCS will establish a mentoring program, as well as training and skill certification tracks for each of its OIS staff. DCS welcomes input from top state IT officials and the Independent Technical Review Team as well.

15th Bullet – The TFACTS as a whole is not dysfunctional, nor is all of the financial management functionality in the system. We will conduct an assessment of the workarounds currently being used during February to determine the root causes. If system related, we will document any contractual requirements that were not met and get those corrected as soon as possible. If a non-contractual enhancement to TFACTS is required, we will build and deploy it. If there is a TFACTS training issue or an acceptance issue, we will provide the appropriate training and discipline in using the functionality in the system. Bottom line, we will ensure that the TFACTS is a more useful tool for the fiscal staff to use in performing their primary role. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team, as well, in this workaround assessment.

16th Bullet – If any risks of fraud, waste, and abuse are identified, DCS will certainly develop and deploy mitigation plans. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team to help identify any risks, and review their mitigation plans.

17th Bullet – In the coming months, DCS will conduct a detailed assessment of any contract requirements that were not fulfilled by the vendor and an assessment of the costs that DCS must incur to complete any deficient functionality. DCS will also conduct a detailed assessment of those areas of the contract where state staff did not perform their duties and responsibilities well with respect to the TFACTS development. This assessment could be the basis for pursuing any legal rights deemed appropriate by the state Attorney General's office. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team, as well, in this assessment.

18th Bullet – DCS has been "transparent" with the Federal Administration for Children and Families (ACF) on shortcomings of TFACTS with regards to SACWIS compliance. We have monthly calls with ACF regarding TFACTS and are required to put any continued development efforts in the yearly Advanced Planning Document Update to the ACF (due in March). In addition, from January 23rd through February 3rd we have been conducting pre-SACWIS compliance demonstrations of the functionality of the TFACTS to show compliance with the SACWIS requirements. The sessions have been well received by ACF. All functional areas of the TFACTS have been demonstrated, to include the Fiscal staff's participation in the demonstrations and discussion regarding the financial management functionality. ACF will provide written comments back to DCS during February/March 2012 to outline those areas of TFACTS that require improvement to meet SACWIS compliance. The formal SACWIS compliance review from ACF is scheduled for March of 2013. DCS welcomes participation and input from top state IT officials and the Independent Technical Review Team during any of the monthly calls with ACF or to directly liaison with ACF to support its independent assessment. DCS will provide the ACF Pre-SACWIS Assessment Report to the Comptroller's Office as well as the Independent Technical Review Team once it is made available from ACF.

19th Bullet – DCS does not characterize the TFACTS project as a disaster. There were many aspects of the procurement that were executed well and the majority of the TFACTS functionality works. There are also a number of aspects of this procurement that could have, and should have, been done differently.

Additional Clarification Regarding TFACTS

When DCS was created in 1996, they inherited three legacy information systems. These systems were substandard and needed upgrade to support management data collection and decision making. In 1993, the Federal Government had established a Statewide Automated Child Welfare Information System (SACWIS) program (Public Law 103-66) that provided 75% funding through 1997 to plan, design, develop and implement a SACWIS, and 50% Federal Financial Participation (FFP) funds after that period. In 1997 the decision was made that DCS would implement a SACWIS to replace the three legacy information systems. This project, which became known as TNKids, was approved and work began.

TNKids was developed in-house by DCS staff using PowerBuilder and was deployed statewide in 2000. Federal ACF audits of TNKids determined that it was not SACWIS compliant. After six years and a number of enhancements, the TNKids had still not met the requirements for Federal SACWIS compliance.

In 2003, DCS adopted a new practice model which moved the agency away from client-centric casework and service provision, to family-centered casework and case planning. At the time of the agency's transition, 14 different stand-alone information systems were being used to document, track and report data that was vital for decision-making. The primary child welfare information system, TNKIDS, was designed to support client-centric practice and therefore made it practically impossible for the agency to fully adopt and execute the new practice model. Additionally, manual paper processes and 'home-grown' applications/databases were also being used to collect and track information used in day-to-day operations.

This fragmentation of information across multiple systems prohibited the agency from viewing a complete picture of the families being served, from identified needs, services provided to address those needs, the effectiveness of the services provided, and the cost of the services provided. The vision of TFACTS was to consolidate the disparate systems into one integrated system, where data is entered and then consistently reused throughout the system, and where end users could view a complete picture of the agency's involvement with a family. To a large extent, that vision is being realized.

Information formerly gathered in 14 legacy applications and an unknown number of paper processes and Access databases is now being documented and managed in a single system. The formal documentation of 21 different business processes of the agency rendered over 4,864 system requirements which were implemented across more than 800 web pages/screens in TFACTS. Business program areas that once operated under separate policies, protocols and information systems are now able to share common processes and information, and do so in a standard, consistent and manageable way. With the implementation of TFACTS, DCS took a giant step closer to fully realizing its family-centered case practice.

It was previously stated in this response to the Comptroller Audit Report that the audit addressed only "a very narrow scope of the amount of functionality that TFACTS provides and for which, most of the system works well". To better illustrate this point, prior to the implementation of TFACTS many of the business processes were paper-driven, and completed manually. Policies and business rules were not consistently applied statewide. For example, prior to TFACTS implementation when a child came into DCS custody, a paper application (Application for Child Welfare Benefits) was completed by the Family Service Worker and was forwarded to the Child Welfare Benefits Counselor (CWBC). Often times, the form was lacking critical information. For the CWBC to complete their manual determination of a child's eligibility for Title IV-E, they had to follow-up with the Family Service Worker to obtain the necessary information, which resulted in a delay in completing the child's eligibility determination and placed the state at risk of losing Title IV-E Federal funding.

In addition, Title IV-E eligibility determinations were conducted using paper budgeting documents and calculators. This manual process was often times error prone. As previously stated, the Title IV-E eligibility policies, practices and business rules were not applied consistently statewide and more importantly were dependent on the interpretation of the CWBC who was completing the manual determination of a child's eligibility for Title IV-E. After the CWBC completed the determination of a child's eligibility for Title IV-E, they then recorded the eligibility outcome in one of the many disparate DCS legacy systems – ChipFins. ChipFins only captured the child's Title IV-E eligibility status and never took into consideration if the child's out-of-home care placement was a Title IV-E reimbursable placement setting. In essence, there was no one place that would accurately reflect a child's Title IV-E eligibility and reimbursement status. It must be noted, per federal Title IV-E policy, when a child is determined to be Title IV-E eligible, they remain Title IV-E eligible for their entire episode of custody. The child's Title IV-E reimbursement status may fluctuate throughout the custody episode, but the child's Title IV-E eligibility status remains constant. Prior to the implementation of TFACTS, if a child was moved from a Title IV-E reimbursable placement setting to a non-reimbursable placement setting there was no system that captured and set the child's Title IV-E reimbursability status accordingly. The process of determining the true Title IV-E reimbursement status for a child was always after-the-fact and was conducted

by extracting data from TNKIDS and comparing that data to the data in ChipFins, which was a time consuming and error prone process.

Now, with the implementation of TFACTS, the determination of a child's eligibility for Title IV-E is thoroughly automated. The policies and business rules are coded in TFACTS and are applied consistently statewide. TFACTS also determines a child's Title IV-E reimbursement status dynamically. For example, if a placement move is recorded for a child, TFACTS automatically generates a 'Placement' Title IV-E reimbursement record. Upon the completion of the reimbursement record, the system accurately reflects the child's Title IV-E reimbursement status and in turn significantly reduces the likelihood that DCS will inaccurately claim Title IV-E funding for a child.

The determination of a child's eligibility for Adoption Assistance was also a completely manual process prior to the implementation of TFACTS. Adoption Assistance eligibility policies and business rules were not applied consistently from region to region. In addition, prior to the TFACTS implementation there was no automated method to end a child's eligibility for Adoption Assistance. Prior to TFACTS, there were documented instances of children receiving Adoption Assistance after their 21st birthday. Now, not only is the determination of a child's eligibility for Adoption Assistance fully automated, policies and business rules are applied consistently statewide. TFACTS enforces business rules that prohibit a child from ever receiving Adoption Assistance after the age of 21.

Although the implementation of TFACTS has been met with many challenges and obstacles, there are numerous benefits of the TFACTS, not only for users, but for children and families who receive services from DCS. TFACTS captures critical information about children and families. With access to such critical information and a wealth of knowledge, DCS is empowered to make better decisions related to the safety, permanency and well-being of the children and families who are served by the agency on a daily basis.