



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

**EXECUTIVE SUMMARY
INFORMATION TECHNOLOGY GOVERNANCE
August 1, 2016 to May 31, 2017**

We found that both the Office of Information Technology (OIT) as well as the individual agencies recognize the importance of information technology governance, and have made progress toward implementing governance practices which support business objectives. However, we noted areas where improvement is necessary in order to have an effective governance structure which fully supports the varied missions of the executive branch, while providing transparency and accountability.

AUDIT HIGHLIGHTS

- The executive branch has not adopted a statewide IT governance framework. In the absence of this guidance, most agencies had not implemented an internal governance policy. The lack of a governance framework can contribute to the inefficient and/or ineffective use of IT resources.
- Neither the executive branch as a whole, nor many of its individual agencies, have a current IT strategic plan. The OIT has begun the planning process, but there is no completion date. Strategic planning is essential for setting goals and providing direction to an organization's IT management team.
- The executive branch does not have a data governance framework, which is a logical structure for the classification, organization, and communication of data. In addition, most agencies had not adopted one at the agency level. However, most agencies are sharing data with either internal or external entities, so there is a definite need for comprehensive data governance.
- The executive branch should improve the organization and message of its Enterprise Security program. Agency IT management expressed dissatisfaction with the lack of communication with the OIT security group as well as confusion in the area of security guidance. This could make it difficult to assess the overall effectiveness of the security measures without detailed knowledge of the efforts of all parties.
- Only three agencies had a complete IT risk assessment, though many agencies provided documents that partially addressed the topic. A lack of risk analyses prevents the identification of the shared IT risks of the agencies and opportunities for shared solutions that may be available. The OIT is in the unique position to guide agencies through this process, collect the results, and coordinate the response to these risks.
- The executive branch lacks compliance monitoring processes for enterprise frameworks and policies, though many of these items have compliance requirements. Without an effective compliance function, an organization cannot be certain that policies and procedures are being followed.
- The funding model for the OIT should be reexamined. Currently, the OIT must charge 100% of costs to either its advanced appropriation or to direct billings of using agencies. We identified multiple issues that this arrangement could cause and documented them as an audit observation in order to encourage the executive branch to examine this situation and determine if any changes are necessary.
- All of the agencies we surveyed expressed that lack of training for IT staff was a serious concern, and adequate resources were typically the cause. We observed that the OIT has a unique opportunity to coordinate statewide IT training to make the most efficient and effective use of funds.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).