JLARC
JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION

Review of VITA's Organizational Structure and Staffing

Commission Briefing

Study motion

- Review VITA's organizational structure and staffing
  - organizational structure to manage multi-supplier model
  - appropriate staffing to manage model
  - recruitment and retention of qualified staff

In brief

VITA's organizational structure is generally reasonable, but it creates potential conflicts of interest for project management oversight.

VITA staff are satisfied with the agency, and turnover is low.

VITA lacks enough IT security staff and has difficulty recruiting for highly technical positions.

VITA relies heavily on contractors to supplement its overall workforce.

All recommendations from 2020 JLARC report are fully or partially implemented

2020 recommendations (number in 2020 report)	Status
Provide agencies with quarterly assessments of network performance (2)	●
Report annually on the adequacy of the state's network infrastructure (3)	●
Develop requirements that suppliers reduce rerouted tickets (5)	◑
Conduct annual customer satisfaction surveys about each IT service (7)	●
Develop plans to address agency dissatisfaction with services (8)	◑

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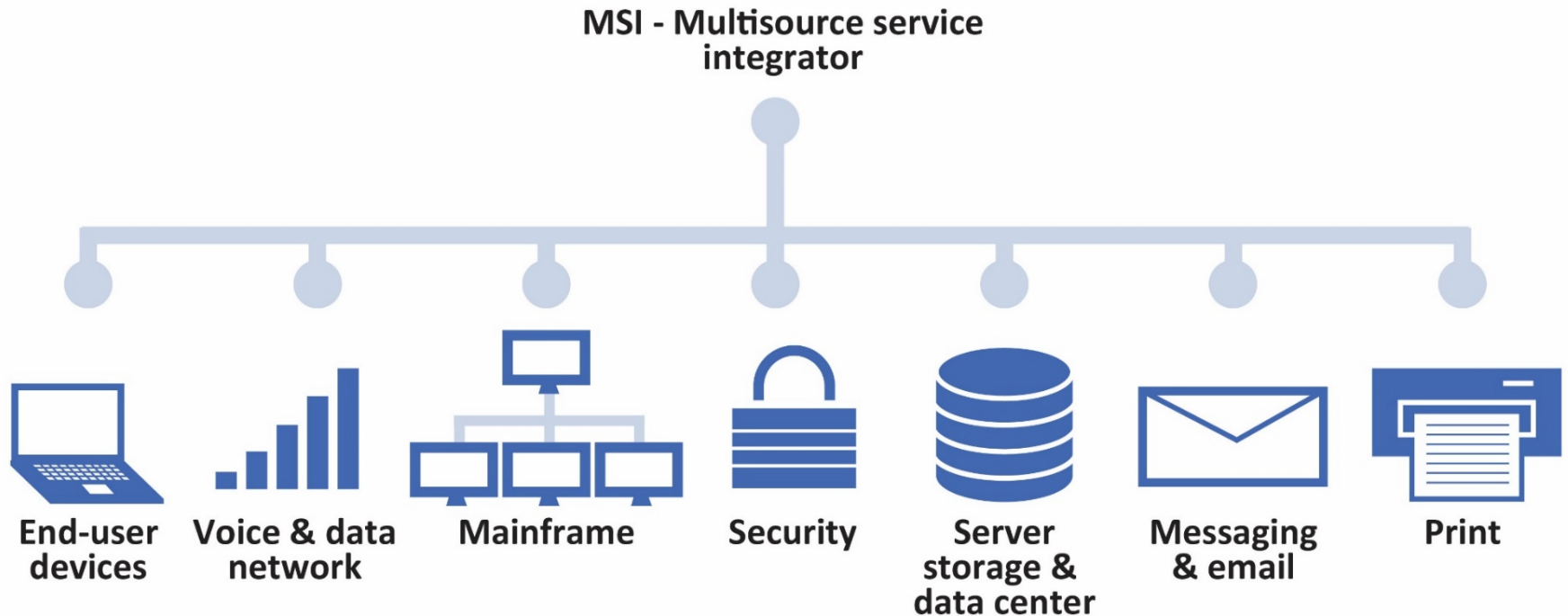
Background

VITA's Organizational Structure

VITA's Management and Staffing

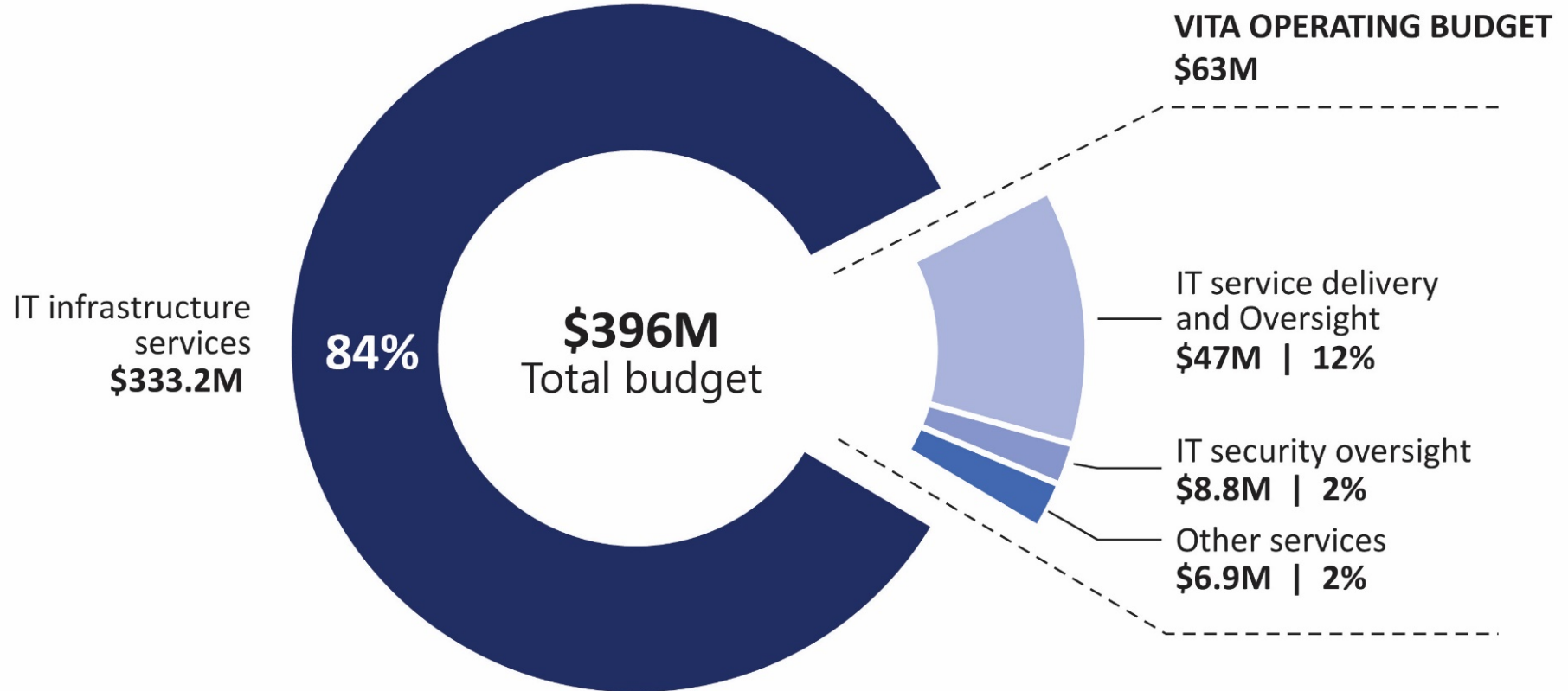# VITA provides infrastructure services and oversees agency IT

- Infrastructure services include PCs and laptops, internet, phone, email, security

  - VITA's infrastructure costs total $333M

- VITA oversees agency

  - security

  - project management

  - procurement

  - IT strategic planning

*Total projected IT infrastructure costs for FY22.

VITA transitioned to a multi-supplier IT service model in 2018

VITA's annual operating budget is $63 million (FY22)

VITA OPERATING BUDGET $63M

IT infrastructure services $333.2M

84%

$396M Total budget

IT service delivery and Oversight $47M | 12%

IT security oversight $8.8M | 2%

Other services $6.9M | 2%
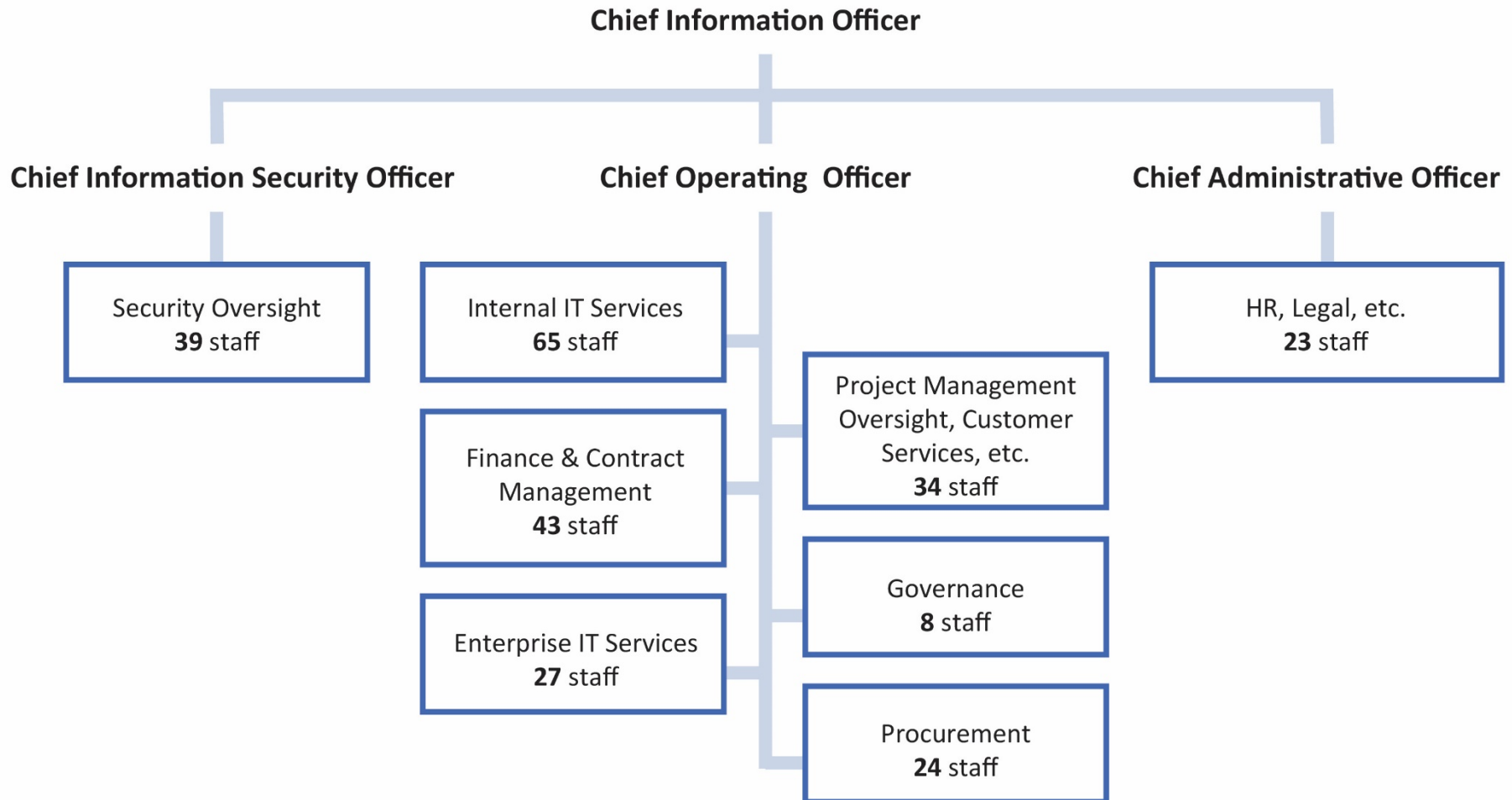
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Background

VITA's Organizational Structure

VITA's Management and Staffing

Organizational structure is key factor affecting agency success

- Effective organizational structure can help ensure:
    - Appropriate supervision and coordination
    - Staff have clear responsibilities
    - Agency is focused on key responsibilities

- Other factors also affect agency success
    - Qualified and motivated staff
    - Clear strategies & measurable goals
    - Appropriate processes for key functions

Most VITA staff are overseen by the COO

Chief Information Officer

Chief Information Security Officer

Security Oversight
39 staff

Chief Operating Officer

Internal IT Services
65 staff

Finance & Contract Management
43 staff

Enterprise IT Services
27 staff

Project Management Oversight, Customer Services, etc.
34 staff

Governance
8 staff

Procurement
24 staff

Chief Administrative Officer

HR, Legal, etc.
23 staff

Finding

VITA generally has a reasonable organizational structure.

VITA's organizational structure reasonably divides agency responsibilities

- Structure consistently groups similar functions together
  - JLARC staff did not identify any unclear or overlapping responsibilities

- Overall structure similar to 2 other states with multi-supplier models (GA & TX)

- VITA has made organizational improvements in recent years

Finding

VITA's organizational structure creates potential conflicts of interest for the oversight of project management.

Organizational structure must minimize conflicts between operational & oversight responsibilities

- Key to effective, independent oversight

- VITA's structure achieves necessary independence for security, procurement, & strategic planning oversight

Critical PMD function is in an operations directorate 3 levels below CIO
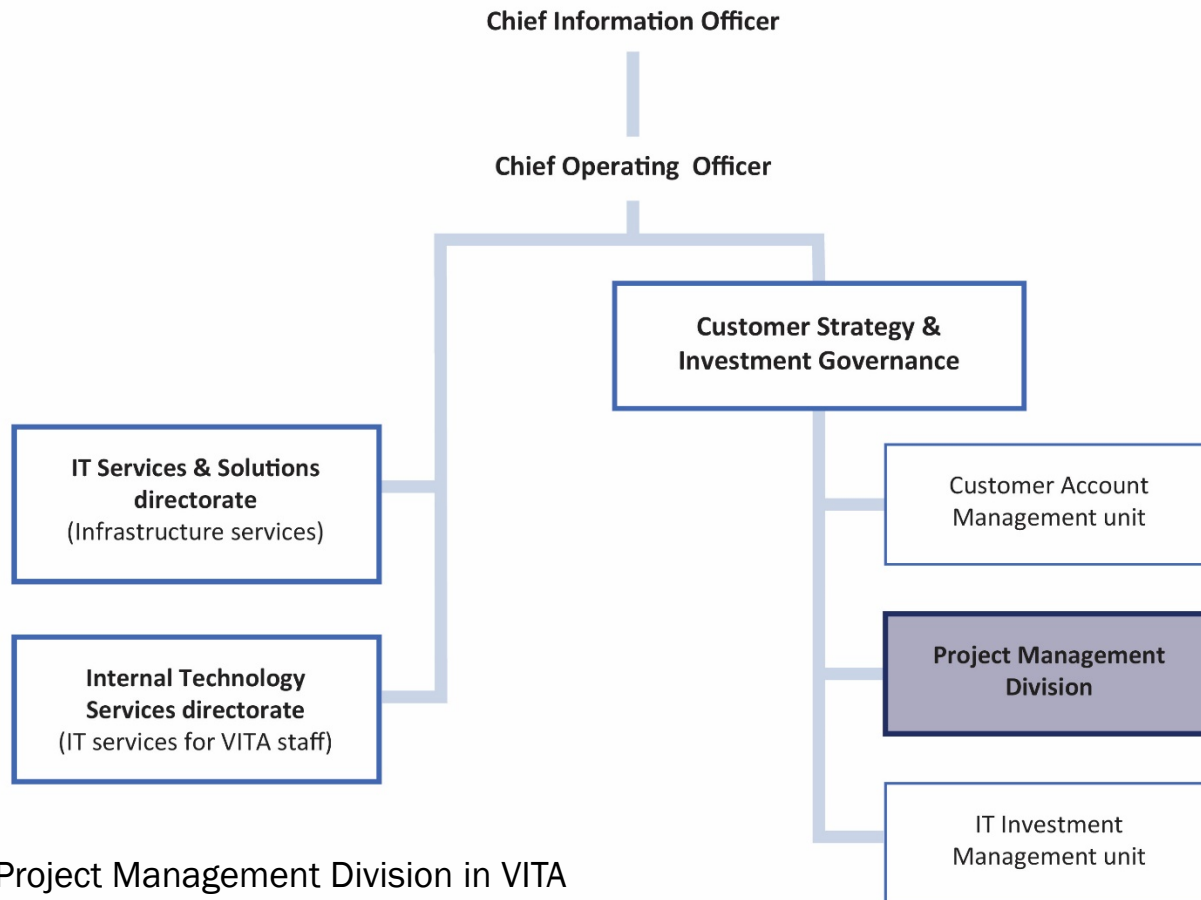
PMD = Project Management Division in VITA

Placement of oversight and operations both under COO creates potential conflicts of interest

- PMD is responsible for oversight of IT projects at <u>VITA</u> and <u>customer agencies</u>

- Staff responsible for implementing VITA's own IT projects report to COO
    - Requires COO to prioritize conflicting operational and oversight goals

- Agency IT projects rely on VITA's infrastructure services, which the COO oversees
    - PMD's role includes assessing whether problems are due to agency's project management or VITA's infrastructure

Recommendations

VITA should

- elevate PMD to its own directorate under the COO.

- develop a formal policy requiring PMD to report directly to the CIO on project oversight when potential conflicts of interest arise.

In this presentation

Background

VITA's Organizational Structure

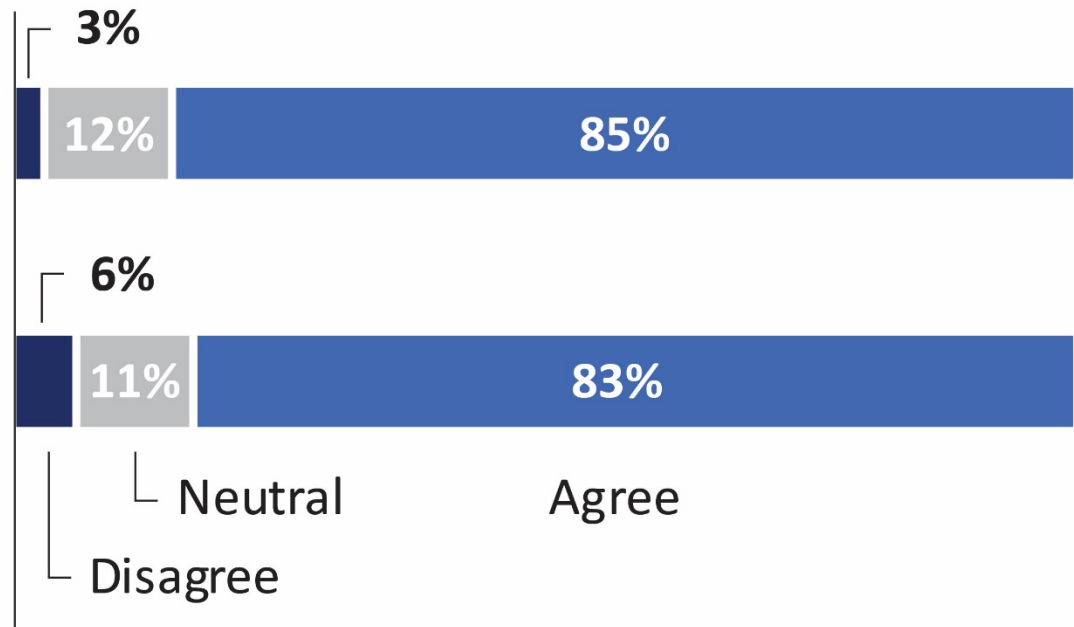**VITA's Management and Staffing**

Finding

VITA staff are satisfied with the agency, and staff turnover is low.

Majority of VITA staff are satisfied with their job and employer

Overall, I am...

satisfied with VITA as an employer: 3% Disagree, 12% Neutral, 85% Agree

satisfied with my job at VITA: 6% Disagree, 11% Neutral, 83% Agree

Turnover of VITA's classified staff is lower than average of state agencies

- VITA's 7.5% turnover rate is well below state average of 14% (FY20)

  - VITA turnover rate also below state average in previous years

- VITA staff appear committed to staying at agency

  - Only 11% of staff are considering leaving VITA

Finding

VITA staff are diverse overall, but manager diversity should be improved.

VITA staff overall are similar to Virginia's population, but managers are less diverse

- Percentage of female and Black staff is comparable to Virginia's population

  - Percentages of Asian and Latino staff are slightly below state's population

- White staff are disproportionately represented in management

  - White staff represent 80% of managers but 62% of non-managers

VITA is taking steps intended to improve diversity of managers

- Completed its One Virginia diversity & equity plan in July 2021

- Created and filled a position focused on diversity and inclusion

- Created an advisory commission to solicit staff feedback on diversity policies & initiatives

Finding

VITA lacks enough IT security staff.

Several factors have increased VITA's security responsibilities

- Transition to multi-supplier service model

  - More reviews of contractual deliverables & obligations and new services

- State faces increasingly complex cybersecurity threats

  - State IT systems faced several cybersecurity attacks in recent years

VITA's IT security staffing has increased, but still not adequate given workload
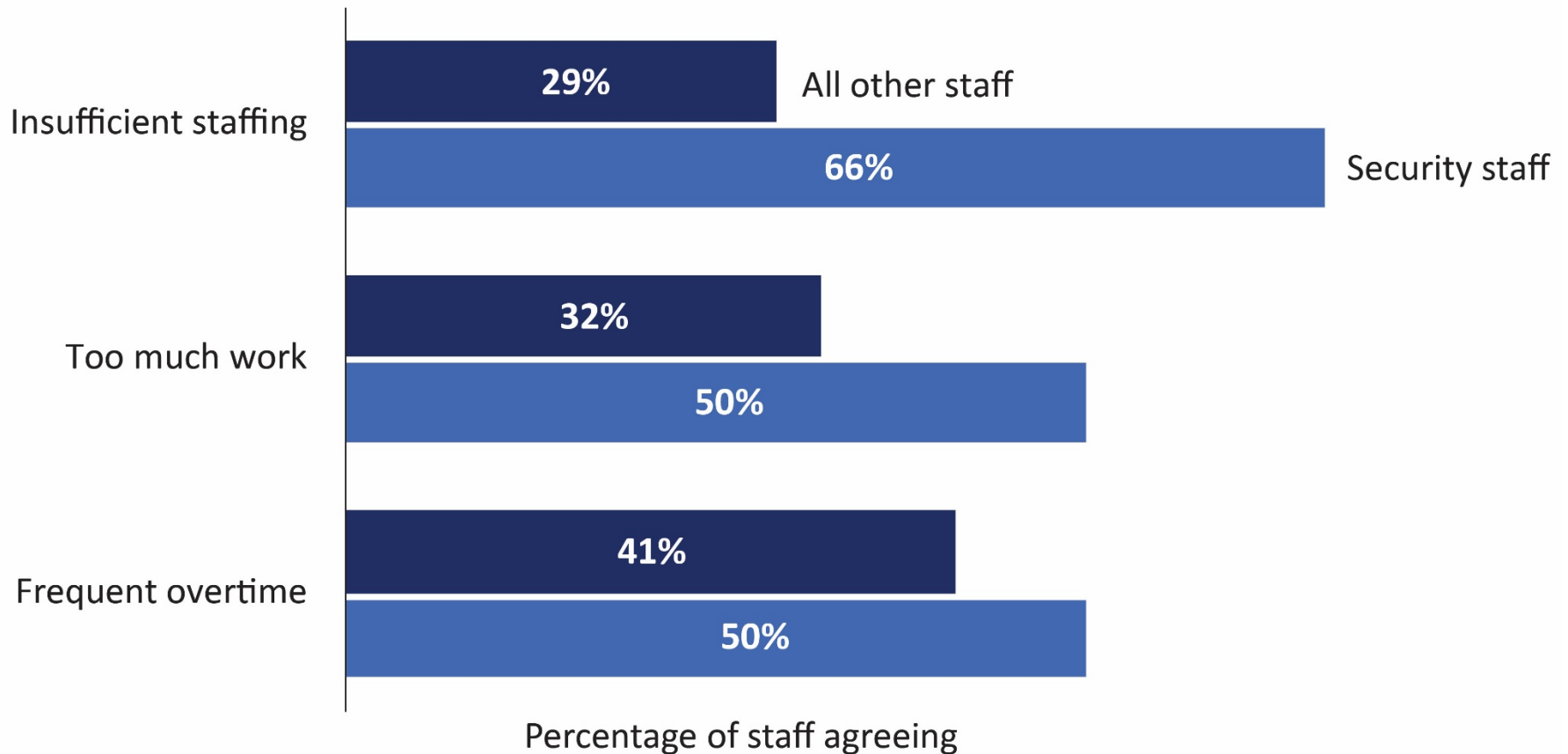
- IT security staffing increased from 11 to 20 (2011–20)

- VITA security staff expressed concerns about staffing levels

  - Only 7% said staffing is sufficient for current workload
  - Nearly half reported daily or weekly overtime

- VITA lacks enough security staff to keep up with IT changes and monitor all IT equipment

Recommendation

VITA should develop a plan to fully staff its security group that includes the number of additional staff needed and the roles they will fill.

Other VITA staff expressed less concern with staffing and workload

Insufficient staffing
- 29% All other staff
- 66% Security staff

Too much work
- 32%
- 50%

Frequent overtime
- 41%
- 50%

Percentage of staff agreeing

Finding

VITA generally has adequate staff expertise, but has difficulty recruiting for some highly technical positions.

VITA is able to hire qualified staff for most positions

- 80% of VITA staff said their directorate has adequate staffing expertise

- Only 11% of VITA managers disagreed that they can recruit and retain qualified staff

VITA has difficulty recruiting for some highly technical positions

- VITA has difficulty competing with private-sector salaries for technical positions
  - Cloud computing
  - Enterprise architecture

- VITA hires contractors for highly technical positions
  - Contractors reduce staff continuity
  - VITA loses institutional knowledge

VITA should use options under the state compensation policy

- VITA has made limited use of recruitment options under compensation policy

- State compensation policy provides options for improving recruitment and retention
  - alternative and higher pay bands
  - expanded recruitment outreach strategies

Recommendation

VITA and DHRM should conduct a joint compensation review of highly technical positions VITA has difficulty filling and retaining.

Finding

VITA relies heavily on contractors to supplement its overall workforce.

About ¼ of VITA workforce is contractors

- VITA employs 65 contractors throughout agency

- Contractors are used in several VITA roles

  - Short-term technical roles

  - Administrative assistants

  - Project managers

Contractors provide hiring flexibility but are often more expensive and provide less continuity

- Using contractors has enabled VITA to fill hard-to-staff positions and develop new expertise

- Total compensation is often higher for contractors
  - VITA contractors = $167K (median)
  - VITA classified staff = $155K (median)

- Contractors have shorter tenure compared to classified staff
  - Average of 2 years compared with 12 years for classified staff

VITA should use contractors more strategically

- Contractors have been default staffing approach even when unnecessary
  - Long-term functions
  - Easily recruited positions

- More than 70% of VITA managers prefer classified staff
  - Managers expressed concern about losing institutional knowledge when contractors leave

Recommendations

VITA should

- develop guidelines that specify when it will hire contractors.

- develop a plan for hiring classified staff to replace contractors carrying out long-term functions or not meeting these guidelines.

Key findings

VITA's organizational structure is generally reasonable, but the agency should take steps to ensure its project management oversight is independent.

VITA staff are satisfied with the agency. Staff are diverse overall, but manager diversity should be improved.

VITA lacks enough IT security staff and has difficulty recruiting for some highly technical positions.

VITA relies heavily on contractors to supplement its overall workforce, and should use them more strategically.

JLARC staff for this report

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