

June 30, 2016

The Honorable Alan P. Krasnoff and
Members of the City Council
City of Chesapeake
City Hall – 6th Floor
Chesapeake, Virginia 23328

Dear Mayor Krasnoff and Members of the City Council:

We have completed our review of the Department of Information Technology for the period July 1, 2015 to June 30, 2016. The purpose of this audit was to evaluate whether the City of Chesapeake's (City) Department of Information Technology (DIT) was providing services in an economical, efficient, and effective manner, whether its goals and objectives are being achieved, and whether they were complying with applicable City procedures. The audit included reviews and evaluations of procedures, practices, and controls of the various divisions of the DIT on a selective basis. All divisions of the DIT, including performance measures for Enterprise Application Services, Administration, Enterprise Software Development, Computer/Network Operations Center, Network Support, Desktop Support, Mainframe Operations, Geographic Information Systems (GIS), Enterprise Financial System, E-Gov, Radio Systems Maintenance and Administration, and Data Security Administration were subject to evaluation. We attempted to identify performance information that appeared to be relevant to the department's operations. We also attempted to identify and address any additional problem areas as requested by DIT or determined from the audit itself.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives.

DIT employed a work force of approximately 55 full-time positions and 1.5 part-time positions for FY2015. Its budget for fiscal 2015 exceeded \$10.6 million dollars, and accounted for approximately 1.1% of the City's budget.

The City budgeted approximately \$381M for multi-year capital projects in FY2016. Those projects included infrastructure for public safety and other City departments, the City's Constitutional Officers, and schools. Of that, approximately \$22.8 million was designated for DIT infrastructure, and systems, and 12 for DIT capital projects scheduled in FY2016. Of these 12 projects, the five projects largest in cost were the Project 25 Radio System (\$9.6 million), Mainframe Migration (\$5.5 million), Electronic Plan & Permit System (\$3.2 million), CAMA implementation (\$1million), and the Enterprise Wide Tech budgeted (\$750,000). The chart below highlights these projects in relation to the 12 DIT projects combined. (Note: The Library and Police Mobile Communication Security DIT projects were excluded from this analysis since DIT was not responsible for those projects.)

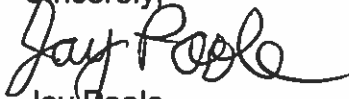
Based on our review, we determined that DIT had accomplished its overall mission of providing centralized and decentralized automated information systems technology services to City departments and the Chesapeake School Administration. However, we did identify several significant issues that needed to be addressed. These issues included the following:

- DIT Governance challenges and legacy system issues
- Access Controls and the Active Directory
- Archiving Processes
- PeopleSoft Financial System Issues
- 911 Statistical Call Data
- Heat Ticketing System
- DIT Staffing Challenges

DIT Officials were fully aware of these issues and addressed them in the Self-Assessment and department responses included with this audit. Police Officials were also aware of the 911 Statistical Call Data issues and addressed them in their responses.

This report, in draft, was provided to DIT and Police officials for their review and responses. Their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendices A and B. DIT and Police management, supervisors, and staffs were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

Sincerely,



Jay Poole

City Auditor

City of Chesapeake, Virginia

C: James E. Baker, City Manager
Peter Wallace, Chief Information Officer