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Correspondence Memorandum

Date: January 25, 2023
To: Audit Committee
From: Kurt Petrie, Auditor
 Office of Internal Audit
Subject: Resource Management Review of Eclipse

This memo is for Audit Committee review and discussion. No action is required.

The Office of Internal Audit (OIA) completed a consulting review of ETF’s Resource Management related to projects¹. The consulting review was completed in accordance with the fiscal year 2022-2023 Biennial Audit Plan and was performed in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the International Audit Standards Board. The results of our review are included below. Because this was a consulting engagement, the recommendations below are suggestions for management to consider and, therefore, did not require a response like audit reports do.

Background

ETF has been working on a multi-year replacement of its legacy systems called Modernization². Given the importance of resources and the impact it has on ETF’s ability to complete its projects as planned, Internal Audit believes Resource Management is an important area to review. ETF uses a project portfolio management software called Eclipse to manage its projects and project resources.

Before Eclipse was implemented, ETF used multiple project management tools to manage its projects including: Smartsheet, Microsoft Project, Spreadsheets, Word documents, email messages, etc., and no project resource management capability

¹ Projects are defined as an item/activity requiring more than 100 hours of estimated resources and managed by the Office of Enterprise Initiatives (OEI) and includes strategic initiatives that are not managed by OEI. For items/activities estimated to require less than 100 hours of resources, these are managed by a different process that was not reviewed as part of our review.
² Modernization addresses ETF’s outdated systems and processing using modern technology solutions and industry best practices. The plan is to implement multiple commercial-off-the-shelf solutions related to the following programs: imaging, data, technology, insurance administration, and pension administration.

Reviewed and approved by Yikchau Sze, Director, Office of Internal Audit
 Electronically Signed 03/01/23

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existed. This resulted in no standard approach for how to manage, report, track the progress of a project, or provide resource visibility across the agency.

ETF selected Eclipse as its project management tool and implemented it in 2019. The planned benefits of implementing Eclipse included:

- Ensure approved projects are managed and completed on a timely basis
- Manage projects proactively at different levels of leadership
- Have an accurate understanding of the availability of resources for each specific project based on the efforts that are in-progress and/or planned.

Our focus for this review is on the resource portion of Eclipse, and we did not review how projects were managed.

After a project has been assigned to a project manager (PM), the Office of Enterprise Initiatives (OEI) resource manager works with the PM to determine what skills are needed for the project and the date ranges of those skills. The OEI staff reviews Eclipse's Resource Management Dashboard to find what staff are available that have the necessary skills in the next three months or so, because any further out than that, the information quality drastically drops off. The exception to this is, if a project spans over a long period of time (i.e., a few years) is using a resource, there might be some capacity available in the short-term for a different project.

OEI staff also work with the staff's supervisor to know what availability they have and answer any questions or concerns they might have regarding the timeline and capacity. Occasionally, there might be some negotiation back and forth with the supervisor to obtain the resource.

Results and Recommendations

ETF is able to track, manage, and have an understanding of its resource capacity related to projects in one location. Whereas before Eclipse, multiple project management tools were used, and no resource management capability existed. Eclipse also allows the Bureau of Information Technology Services (BITS) staff to record their time at a more detailed level on projects and operational activities in one location instead of two previously. This provides better reporting for tracking BITS resources that are in high demand.

To fully achieve the project goals outlined above, we believe ETF should evaluate whether Eclipse is the tool that can provide the forecasting capabilities required by ETF's project management and, if so, improve the data collection and monitoring of the data collected in Eclipse.

Eclipse Capability

Based on discussions with a few staff and supervisors in OEI and other business areas, Eclipse does a good job of managing and tracking projects but does not support

forecasting future needs for resource management. For example, some of the most in-demand staff at ETF work in the Development & Quality Management Section and Development, DBA, & Middleware Section within BITS. These sections use an Excel spreadsheet to track their own forecasting needs because Eclipse is not able to accommodate them given the difficulty when trying to adjust projects and/or people because of changing priorities, staff turnover, or timeline adjustments. Furthermore, a project must be active in Eclipse for it to be allocated staff resources, which makes forecasting future projects difficult. In addition, non-project time allocations when adjusted are overwritten, see below for a further discussion on this.

We recommend that ETF perform an assessment of Eclipse's ability to do resource management including forecasting efficiently and effectively now and, in the future, given the demands for projects and resources. Also, consider what impact a new solution would have on resources and the ability to implement one given all the other demands now and in the future.

Staff Time Allocations

We reviewed all staffs' monthly allocated and actual hours from January 1, 2020 – August 31, 2022. Most ETF staff are assigned non-project or active operations (i.e., day-to-day activities) allocation in Eclipse that is set by their supervisor. Staff might also be assigned project-related time if they are assigned to a project(s). The non-project time allocation is important for the accurate assessment of resources available to work on projects, since time not assigned to non-project could be available to work on projects.

We identified 323 staffs' non-project time allocations had not changed since March 2020. When discussing this with OEI staff, they stated that Eclipse was setup to adjust non-project time allocations back to when the system was first introduced in November 2019. They also stated the system does not maintain any record of the change. Therefore, staff's non-project time allocations may or may not have been changed given historical information is overwritten.

We also found through discussions with a few supervisors that each one defines non-project time differently. ETF has defined non-project, but it is not known across the agency and, therefore, supervisors could be allocating their staff differently. Similarly, how leave time is accounted for is not fully known. In 2020, 2021, and 2022, Eclipse allocated 2,032 hours per year to each staff, and when factoring in leave time (vacation, personal holiday, and sick), it would be difficult to work that many hours. Eclipse does account for legal holidays.

We recommend the following items related to non-project time allocations be reviewed and adjusted:

- When non-project time allocations are adjusted that historical allocations are maintained, and the change is only applicable going forward;

- Ensure the various divisions/offices across the agency are defining non-project time consistently;
- Determine how leave time is accounted for, notify supervisors, and make any necessary adjustments in Eclipse; and
- Have all supervisors review their staff's non-project time allocations and ensure they are accurate. Non-project time allocations should be reviewed and, if applicable, updated when staff turnover occurs.

Quarterly, OEI staff send out a reminder to supervisors to review their staff's time allocations and actual hours. To date, not that many supervisors have updated their information. Based on our discussions with a few supervisors, we learned that none of them were reviewing the information given the difficulty of trying to obtain the information from Eclipse, other priorities, or not completely sure what they should be reviewing. Furthermore, how to obtain their former staff's information is not known.

We recommend that OEI staff complete the following to improve supervisors review of their staff's information:

- Provide refresher training sessions to supervisors and/or a specific guide that explains the benefits of this review;
- Notify supervisors of how to obtain their former staff's allocated and actual time from Eclipse; and
- Determine if Eclipse's reports of supervisors' staff can be automated so they run automatically and are provided directly to them.

We also recommend that supervisors periodically review their staff's allocations and actual hours and provide any changes/updates to OEI staff.

On a biweekly basis, OEI staff meet with IT-related supervisors to discuss (BITS, BISM, DMB, and data stewards³) staff (excluding supervisors) with more than ten hours of capacity or are overallocated by more than five hours per week. OEI walks through each area and the respective supervisor discusses staff meeting these requirements. Changes/updates might be suggested to certain projects or activities depending on the cause and/or solution.

We found that overallocated staff from other business areas were not reviewed by OEI like IT-related staff are, as discussed above. In addition, allocated vs. actual hours is not being reviewed by OEI either. We agree with OEI's statement that the supervisors should be the ones reviewing their staff's actual hours. However, given the holistic view of OEI and its understating of all projects, OEI should also conduct a review of allocated vs. actual hours. Furthermore, this review could be beneficial in understanding how

³ BITS: Bureau of Information Technology Services; BISM: Bureau of Information Security Management; DMB: Data Management Bureau; and Data Stewards – various ETF staff responsible for the assessment and improvement of critical data assets.

OEI's PMs are creating task time allocations and help with resource management if the actual hours are substantially different than allocated hours.

We recommend OEI review the following resource management related activities on a periodic basis (e.g., monthly).

- Review other key staff time allocations and follow-up with the staff's supervisor and/or project manager if over a certain percentage (e.g., 125%) allocated for the week or month and, if so, understand what is causing that;
- Determine if staff over a certain allocation percentage report can be automated in Eclipse; and
- Review and verify that staff are entering their actual project hours and review allocated vs. actual to understand why variances are occurring and if adjustments to allocations should occur.

Project Task Allocations

Projects are broken apart by various tasks that are assigned to staff. During our review, we found that when a staff is assigned a task, it evenly allocates the number of hours across the task's duration. For example, if a task is estimated to take 2,000 hours, and supposed to take 20 weeks to complete with the staff's portion of that task being 20%, they would be allocated 400 hours. Eclipse will evenly assign them 20 hours per week for 20 weeks related to this task.

However, this may or may not be how the staff will work on the task, because they might be working on it all at the beginning, or possibly they are a tester and will work on it at the end. Because tasks are evenly distributed, this can cause staff to appear to be as if they are over or under allocated. In addition, it can cause variances between allocated and actual hours. PMs can adjust assigned staff's time allocations, so they are not evenly allocated, and at least one does, but it is a little more work to do so.

We recommend that Project Managers consider adjusting task allocations where appropriate to better reflect how staff are anticipated to work on the task. In addition, work with Eclipse to determine if there is a more accurate way to allocate tasks to a project. With both recommendations, consider the cost and benefits of any change.