



# MEMORANDUM

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TO: Members, Legislative Post Audit Committee  
FROM: Katrin Osterhaus, IT Audit Manager  
DATE: September 28, 2018  
SUBJECT: KanLicense IT Project Monitoring Update

**We have monitored the KanLicense (formerly KanDrive) IT project since February 2016 but have reduced our monitoring efforts at the start of this year.** The Department of Revenue's KanLicense project includes the conversion of the current Kansas driver's license system from a legacy mainframe to a modern, web-based software framework. The new driver's license system will continue to issue and manage driver's licenses and identification cards. Over the past two years we have published six quarterly reports on the projects' status. During our final full report (released December 15, 2017), the agency planned to go live in early January 2018, despite our concerns regarding delays on several components and the status of the system's security planning.

Since then, we have reduced our project monitoring efforts significantly because we assumed the project was close to completion. As we have noted in three previous memos to the committee, the KanLicense system has still not gone live, largely because Kansas has not received the American Association of Motor Vehicle Administrators (AAMVA) certification it requires.

**Because KanLicense is nine months behind schedule, we decided to provide the committee with a more detailed update on the project's status.** We will continue to track the project on a more limited basis until it goes live.

- **Scope - The main project scope has not changed.** The project had one change order for the contractor to adjust the system code in past months. This was necessary to integrate a legislative change to lengthen the validity of commercial drivers' license from 4 to 5 years, which became effective July 1, 2018 (HB 2606).
- **Cost - The overall project cost remains at about \$8.7 million.** Officials explained a recent change order added about \$14,000 since that cost was not part of the fixed cost agreement with the contractor. Additionally, the quarterly reporting costs to the state's Enterprise Project Management Office adds roughly \$16,200 for each quarter the project is not yet live and closed out. We confirmed additional security testing will not increase the project cost because the Office of Information Technology Services contracted with a vendor for a batch of security tests it allows state agencies to use for free. Lastly, as described in previous reports, internal costs for staff not spending more than 50% of their time on KanLicense are not included in the project cost.

**Schedule – The project is currently nine months behind the original schedule, but officials are optimistic the system will go live soon.** At the start of this year, officials decided to delay system implementation but chose not to set a new rollout date. Officials decided to focus on completing AAMVA testing and were optimistic to receive the certification early May. In discussing the project status for this update, steering team members told us the January 2018 rollout had been too optimistic. That is because bug identification and remediation and testing with AAMVA would take longer than they initially thought. They explained agency staff continued to identify several program code flaws (bugs) over the past several months. For example, the agency ran into issues with some middle names being much larger than the field size would allow. The contractor responsible for the coding confirmed that the core product is good and has had live rehearsals in the first quarter. They explained that the system is based on years of accumulated business rules residing on the mainframe, so it is reasonable to expect that a few errors would need to be fixed.

As of September 17, 2018, KDOR officials told us AAMVA structured testing was completed and KanLicense has passed its AAMVA certification in the areas of Social Security On-line Verification, Commercial Driver's License Information System, and the Problem Driver Pointer System. A formal certification email is expected soon. According to officials, KDOR has up to six weeks to deploy the system statewide.

- **Security – A contractor's security scan of the KanLicense system identified no critical or high risks.** The Denim Group is under contract with the state to perform certain information security services. The latest application security scan conducted in May identified three medium-level risks. We would prefer those risks be mitigated before the system's rollout, but learned those risks were accepted by management who have planned to address them after the go-live date.