

CIO-103: Independent Verification and Validation Policy (IV&V)

EFFECTIVE DATE: 5/30/2018

REVISED: 7/21/2022

REVIEWED: 5/27/2022

I. PURPOSE

This policy establishes controls related to the management of information technology (IT) projects within the executive branch of the Commonwealth. The controls provide guidance in decision-making and practices that optimize resources, mitigate project risk, and maximize return on investments.

II. POLICY

1. Definitions

- a) "IT Project" – means a temporary endeavor undertaken to create a unique product, service, or result. It has a definite beginning and end, and defined scope, schedule, and cost baselines. A project is unique in that it is not a routine operation, but a set of activities aimed at accomplishing a specific one-time goal. This policy applies only to projects meeting the reporting threshold to the CIO via Project Online.
- b) "Independent Verification and Validation (IV&V)" – means a comprehensive software and/or hardware review, analysis, testing, and validation performed by an objective third party (outside the project team reporting hierarchy) to confirm (i.e., verify) that the requirements are correctly defined and to confirm (i.e., validate) that the system correctly implements the required functionality and security requirements.
- c) "Independent Verification and Validation (IV&V) Contract Oversight" – means management of the IV&V Master Agreement and associated Statements of Work to assist agencies with vendor selection, contract administration, and to oversee the quality of services provided by IV&V vendors.

2. Branch Responsibilities

As defined in KRS 42.726(2)(h) the Commonwealth Office of Technology (COT) Project Management Branch is responsible for reviewing and overseeing large or complex information technology projects and systems for compliance with statewide strategies, policies, and standards, including alignment with the Commonwealth's business goals, investment, and other risk management policies. The executive director is authorized to grant or withhold approval to initiate these projects.

To ensure new projects have the highest chance of success, as of July 1, 2020, all Executive Branch agencies are required to have COT's Enterprise Standards Branch perform a Project Risk Assessment prior to final approval of the project and project budget. When recommended by the Project Risk Assessment, the agency will incorporate COT's estimate for IV&V Services, including IV&V oversight, into the project's budget.

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When some level of IV&V is required, agencies will add the following to their overall project budget specifically for IV&V services:

- a) For projects with budgets of more than \$10 million, agencies will include 5% of the project budget for IV&V services.
- b) For projects with budgets of less than \$10 million, agencies will:
 - i) Include 10% of the project budget for IV&V services if full IV&V is recommended.
 - ii) Include 5% of the project budget for IV&V services if limited IV&V or Project Audits are recommended.

Agencies are required to follow the IV&V Vendor Request for Project Services (RPS), as applicable to the individual project.

III. CORRECTIVE OR DISCIPLINARY ACTION

Each agency must ensure that all relevant staff within their organizational authority are made aware of and comply with this policy. The agency is responsible for enforcing it. Unauthorized and/or neglectful actions regarding this policy may result in disciplinary action up to and including dismissal. COT may require additional service charges for remediation efforts due to non-compliance with this policy.

IV. APPLICABILITY

All executive branch agencies must adhere to this policy. This includes employees, contractors, consultants, temporaries, volunteers, and other workers within state government.

V. REFERENCES

KRS 42.726