

Thursday 21 October 2021

The Government has embarked on a challenging programme of digital modernisation

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment, has today 21 October 2021 published a report on **ICT Cloud Implementation - Integrated Technology Solution**.

The report focusses on the Integrated Technology Solution (ITS) programme, a multi-year programme that was launched in early 2020 and is intended to enable the Government to use modern, cloud-based systems for finance, human resources (HR), procurement and asset management.

Lynn Pamment found that neither the Outline Business Case (OBC) nor the Full Business Case (FBC) articulated clearly the link between the ITS programme and other active programmes aimed at modernising Government services. Whilst the case for change was consistent between the OBC and the FBC, the estimates of costs and benefits varied: the FBC shows the estimated costs increasing and the estimated financial benefits reducing.

The C&AG noted that funding for the ITS programme was provided in the Government Plan 2020-23. Expenditure of £28 million was approved in the Government Plan in line with the OBC. However, the C&AG found that the assumptions underpinning the OBC estimate of expenditure were overly optimistic. Consequently, the OBC excluded significant costs of the programme that should have been better understood and quantified at the time that the OBC was approved. The fact that these costs were not identified and quantified until the FBC meant that they were not included in the Government Plan 2021-24.

The C&AG considers that, whilst complex, the governance structure that has been put in place for the ITS programme is suitable. The key enablers for the ITS programme to achieve its objectives have been identified within the programme structure.

The C&AG found that there have been challenges to successful delivery of the ITS programme related to the capacity of the Government to engage fully with the programme and to make key decisions on a timely basis. At the time of the C&AG review there continued to be reliance on third party contractors to perform key programme roles. In addition, several cost pressures have been identified and continue to be managed.

The C&AG also suggested that the lessons learned from the implementation of the new taxation revenue management system are revisited by the Government of Jersey to ensure all actions in it have been considered and that mitigating actions are in place for the ITS programme.

The C&AG's work considered the ITS programme up to 31 August 2021. Future C&AG work may consider ITS programme implementation.

Lynn Pamment said:

"The Government of Jersey has embarked on a significant programme of digital modernisation of which the ITS programme is just one part. Other elements of digital modernisation include the adoption of Microsoft Office as well as a significant cyber security and information governance programme. It is essential that all elements of digital modernisation are considered as a portfolio and that dependencies between the programmes are identified and managed effectively.

"Major ICT programmes are high cost, high profile and carry great uncertainties and risks. Experience from the public sector in many jurisdictions is that often such programmes fail to deliver their objectives in terms of cost and/or outcomes. In order for the ITS programme to be successful there is a need to identify, measure and monitor the benefits of the programme and to ensure that responsibility and accountability for the delivery of benefits are clearly set out."

The report *ICT Cloud Implementation - Integrated Technology Solution* can be found at: <https://www.jerseyauditoffice.je>

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Notes to Editors:

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- The remit of the C&AG includes the audit of financial statements, corporate governance, internal control and wider consideration of public funds, often expressed as 'value for money'
- The 2021 Audit Plan can be found at: www.jerseyauditoffice.je
- Lynn Pamment took up the Office of C&AG on 1 January 2020 for a fixed term of seven years. Following the introduction of the Comptroller and Auditor General (Jersey) Law 2014 the term of office is fixed at seven years and is non-renewable.
- The Office of Comptroller and Auditor General is known as the 'Jersey Audit Office'.
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