

Friday 28 April 2023

There is a need for Government to improve its management of strategic risks in major programmes

Comptroller and Auditor General issues latest report

Comptroller and Auditor General (C&AG), Lynn Pamment, has today, 28 April 2023 published a report on ***Integrated Technology Solution - Follow Up***.

The report focusses on whether the C&AG recommendations from her previous report on the Integrated Technology Solution (ITS) programme have been implemented and whether the ITS programme has followed best practice in the lead up to the 'go live' date for releases one and two.

The report has considered the operation of the ITS programme to the end of November 2022 as well as the 'go live' decision at the end of December 2022. The C&AG has not reviewed the detailed functionality and operation of the ITS programme since releases one and two went live in January 2023. The C&AG has not therefore considered the operational problems that have been experienced in the live systems.

Lynn Pamment found that the ITS programme remains an essential element to the future stability of the business operations of the States of Jersey. The previous applications used for finance were out of date and therefore unsupported and represented a strategic risk in relation to adopting modern business processes and reducing cyber security risks.

The reporting model adopted for the programme's Strategic Oversight Board and the strong financial management and governance which it demonstrates are areas of strength in the programme and should be considered for future programmes.

However, the Government has de-coupled longer-term benefits realisation from the ITS programme, with the programme closing at the end of 2023. The result is that programme-level responsibility and monitoring for any benefits realisation beyond 2023 will cease. The formal arrangement for the oversight and governance of the realisation of benefits beyond 2023 is unclear. In addition, ITS-related benefits are not planned to be tracked beyond the end of 2026. Given the long-term investment in the new applications and the slower realisation of benefits than originally expected, the C&AG would expect the formal monitoring and reporting of benefits to be extended to 2030 if best practice is to be demonstrated.

While project level risk management was working effectively at a detailed level at the time of the C&AG's fieldwork, the key strategic risks in relation to the programme were not evident in the documentation provided to the C&AG.

Lynn Pamment reports that the full implications of releasing major functionality, in particular in relation to the impact on the end user community, should be more fully assessed. The risks and benefits of releasing major functionality should be set out to inform decision making. In practice, several problems have been experienced following 'go live'. These have been captured by the programme team in a Ministerial briefing dated 27 January 2023.

The C&AG found that 12 of the 16 recommendations made in her Report from October 2021 had been implemented with two not implemented, one partially implemented and one where further enhancements could be made.

Lynn Pamment said:

"The ITS programme 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. It forms one part of a significant investment being made by Government in digital modernisation.

My review has identified some elements of good practice in the way in which the ITS programme has been managed. However, there is a need for Government to improve its management of strategic risks in major programmes, to ensure that sufficient specific business-unit level approval of functionality is gained prior to 'go live' and to enhance its processes to monitor the realisation of the benefits expected to be delivered over a sufficiently long time-span."

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

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- The 2023 Audit Plan can be found at: www.jerseyauditoffice.je
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