

2024

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**GOVERNMENT RESPONSE TO THE ACT AUDIT OFFICE REPORT NO
10/2023 – HUMAN RESOURCE INFORMATION MANAGEMENT SYSTEM (HRIMS) PROGRAM**

**Presented by
Chris Steel MLA
Special Minister of State
February 2024**

Introduction

The ACT Government welcomes Report No 10 of 2023, *Human Resources Information Management System (HRIMS) Program* (the Report) by the ACT Audit Office. The Report considered the effectiveness of the ACT Government's planning for, and management of, the HRIMS Program.

In 2017-18, the ACT Government approved the design and implementation of a contemporary whole-of-government Human Resources Information Management System. The funding sought to deliver an ICT solution that would optimise payroll services' integration with effective Human Capital Management (HCM) to improve service delivery and allow the ACT Government to implement a more strategic approach to managing its human capital.

The development of a whole-of-government approach sought to integrate and modernise the delivery of payroll and human resource (HR) services to over 28,000 ACT Government employees across eighteen directorates and agencies. This was a major endeavour involving the integration of systems, procedures, and processes.

The Auditor General's Report provided one recommendation that the ACT Government should table a response in the ACT Legislative Assembly that provides a comprehensive plan detailing the actions to be taken by the Territory to address the matters raised in this report.

A separate report commissioned by the ACT Public Service (ACTPS), the Leeper Report (May 2023), found that there was not a full understanding of the unique circumstances, scale, and complexity of the ACTPS operating environment, which contributed to the problems identified. The Leeper Report established that issues of governance, rather than the failure of any individual, were key.

The Report found that while governance was in place, the multiple layers caused uncertainty and contributed to a reluctance on the part of governance bodies to make critical decisions.

Prior to the Auditor General's Report being undertaken, the Government had commissioned several reviews, both internal and using external expertise, to inform and allow the ACTPS to undertake significant work on strengthening the approach to ICT Projects, project management and all associated governance, frameworks, and guidance.

The ACT Government acknowledges the failures identified by the Auditor-General and in the Leeper Report. These findings have led to the decision by the ACT Government to end the HRIMS Program and to proceed with upgrades to our existing payroll and human resource systems at less risk and lower cost to the Territory.

The Government is committed to applying the lessons learnt from the program, and the reviews undertaken into HRIMS, to all future ICT projects including new payroll capability and human resource management program (PC HRM) project.

This response will detail the changes made in planning, governance and administrative arrangements, contract management and the delivery of services, informed by the Leeper Review, to address the matters raised in the Auditor General's Report.

Recommendation 1 – Report to the ACT Legislative Assembly
<i>The ACT Government should table a response in the ACT Legislative Assembly that provides a comprehensive plan that details the actions to be taken by the Territory to address the failures identified in this report.</i>
Response
Agreed

History

In 2017 the HRIMS Program (the Program) was established to implement a contemporary whole-of-government human resource and payroll solution aimed at moving the Territory to more contemporary human resource and payroll processes. This Program was established in response to earlier findings of the Auditor-General's about improvements that could be made to payroll and human resource systems across ACT Government.

The Program was impacted by a range of challenges identified in the current Auditor General's Report such as size and complexity, impacts of resourcing and priorities due to the COVID-19 pandemic and a unique public service structure with many individual enterprise agreements with distinctive workplace requirements.

The Program was first funded for design and construction in the 2019-2020 ACT Budget, with implementation occurring the COVID-19 pandemic.

This played a role in the challenges faced during the Program's initial development and had a significant impact on the management of the Project. Officials across Government who were critical to the program's success had to redirect priorities elsewhere.

The Program did deliver a learning management system that is now operational across the ACT Public Service but did not deliver on all components from its original scope.

In December 2020, it was identified that the project was not on track. After thorough assessment, and attempts to reset, the program was paused in September 2021 to enable exploration of broader options. The Government commissioned several reviews which informed the decision by the ACT Government through the 2023-24 Budget process, to cease the Program and implement upgrades to existing payroll and human resource systems at less risk and cost to the Territory.

Reviews undertaken by ACT Government

Following identification of the issues associated with implementation of the HRIMS (the Program), the ACT Government commissioned a series of reviews including:

SAP Design Review

In 2021, SAP undertook a review of the design and technical solution for HRIMS and recommended two major changes:

- Employee's time and attendance management should be managed in the ACT Government Time and Attendance (T&A) systems. This recommendation represented the need to redesign some of the HRIMS solution.
- Leave management for rostered and non-rostered employees should be managed in the T&A systems.

Deloitte Program Review

In 2022, Deloitte undertook a detailed review of the HRIMS Program to identify learnings and improvements the ACT Government could make in the management of the Program.

There were several findings and recommendations from the Deloitte report. The key finding was that the existing HR and payroll business processes had not been fully documented and understood, and that an agreed future state operating model had not yet been agreed. The level of transformational change required across all directorates and the actions needed to realise benefits were not well understood or formally agreed. This contributed to reduced commitment from stakeholders to the outcomes of the project and limited appetite for harmonising business processes to reduce complexity for a whole of government solution.

The Deloitte Program review has been published online at [Deloitte Program Review 2022 \(act.gov.au\)](https://www.act.gov.au/acthrims/2022/06/22/deloitte-program-review-2022)

Leeper Report

In 2023, The Leeper Report identified several areas for improvement including governance of the program from options consideration through to implementation. A key recommendation from this report included improvements around governance including clear ownership and authority for key roles.

The Leeper Report has been published online at [Leeper report - Positioning for Success in Complex Implementations \(act.gov.au\)](https://www.act.gov.au/acthrims/2023/06/22/leeper-report-positioning-for-success-in-complex-implementations).

Revised approach

Informed by the reviews and based on revised requirements of the ACT Public Service (ACTPS), the ACT Government has commenced a new program, funded through the 2023-24 Budget, to deliver the remaining essential HR and payroll elements required by the ACT Public Service via the payroll capability and human resource management program (PC-HRM).

PC-HRM will build on existing ICT investments by upgrading selected existing payroll and HR programs and designing a new time and attendance solution.

PC-HRM is being planned and implemented with the benefit of additional and upgraded governance, processes and procedures informed by the reviews commissioned by the ACT Government and the findings of the Auditor General's Report.

Upgrading the existing systems, which the government has already invested in and implemented, will provide secure and reliable systems in the most cost-effective and efficient way. Steps to deliver this program are informed by the *Positioning for Success in Complex Implementations Report* delivered by Geoff Leeper.

Multiple reviews confirmed that the ACT Government has one of the most diverse workforces in the country and with this, comes great opportunity and complexity in its HR requirements. Operating within 18 Enterprise Agreements, with an extremely complex range of employment conditions and requirements, the challenge to support this diversity in one cost-effective solution, cannot be understated.

Planning – Key Findings and Actions

Both the Leeper review and the Report identified issues in the planning approach applied to Program.

Inadequacies in Overall Approach to Planning

This finding has been addressed via *Guiding Best Practice Design and Delivery* (the Guide). Approved by Government, the Guide includes information on the minimum set of activities to be undertaken for any project with a technology component and advice on what executive sponsors and Board members should expect to see. The approach outlined in the Guide ensures issues faced are clearly outlined and understood via the creation of an outcome statement to ensure there is a clear and common objective to allow for appropriate planning.

The scope and planning undertaken for the PC-HRM Project is in line with recommended actions from the Leeper Report, ensuring that the substantial work undertaken to this point has identified realistic options, viable in the complex operating environment of the ACTPS.

This work includes dedicated governance, agreed, and approved by all involved, data analysis to understand the source and required program integrations, privacy impact statements and threat and risk assessments.

This approach has contributed to planning a human-centred solution and will ensure a consistent and thorough best practice approach to prevent the reoccurrence of challenges faced in the HRIMS Program.

Responsible business owner

The Audit Report identified the business owner responsible for the project's service outcome was not adequately engaged and the roles and responsibilities were not clearly identified in the planning phase. Leeper stated that active cooperation and joint work to outline key requirements involving strategic ICT advisors, system architects, business owners of the service outcomes and delivery systems and users of those systems is required.

To address this finding, detailed governance rules, informed by the Leeper and Deloitte reviews have been implemented for technology projects ensuring that project members, such as Business owners are adequately engaged and represented at a sufficiently senior level to drive change within their functions and work with a strategic focus.

To ensure the role and responsibilities of the Business Outcome Owner in the PC-HRM Project are clearly understood, the Terms of Reference include a detailed definition outlining that the Business Outcome Owner is the Deputy Director General of the Office of Industrial Relations and Workforce Strategy (DDG OIRWS). The Business Outcome Owner is accountable to Government and the Special Minister of State for ensuring that the program delivered will meet the business needs of directorates.

OIRWS provides the formal structure to lead the ACT Public Service (ACTPS) industrial and employment agenda into the future. OIRWS supports an effective ACTPS – where strategy, industrial relations, WHS and employment policy and governance are developed and delivered in a consistent and collaborative manner. DDG OIRWS is also the whole of government Payroll Capability service provider.

Further outlined for the PC-HRM Program, it is recognised that Directors-General are accountable for Human Resource Management within their respective directorates and are reliant on the Chris 21/HR21 and Time and Attendance solutions to support their work. The Business Outcome Owner will ensure that the requirements of Directors-General are considered as part of the design and delivery of the system to achieve the required business outcome.

Overall, the Business Outcome Owner for PC-HRM will:

- validate that the Program meets the expected business outcomes;
- represent the Program across government and provide strategic advice to the program team;
- resolve Program issues and risks making business decisions (e.g., on interpretation of legislation or practice); and
- control and prioritise business scope or change requests, ensuring limited resources (both staff and dollars) are spent on highest-value requests, within the tolerances of the Program.

Consideration of options

The Leeper review found that during planning for the Project, assumptions and subsequently, decisions were made based on information, including in feasibility studies, but that detailed investigations to confirm or challenge these findings were not adequately undertaken.

Leeper stated that several feasibility studies into a new HR system were conducted between 2011 and 2017, the last of which discarded any option that would have updated and/or expanded the Chris21 functionality to deliver the broader functions sought by the Territory. This contributed to full consideration and analysis of all options not being undertaken at the time.

Several initiatives have been put in place that will mitigate the risk of decisions being made with partial or incomplete information, and guard against a reoccurrence of this instance.

As mentioned above, the required steps to form an initial approach are clearly outlined in the Guide, including the need for detailed and thorough analysis.

In addition, Government decision-making processes have been strengthened through the Budget Assessment Sub-Group (BASG). The BASG is a cross government committee for technology investment and alignment that provides advice to the Government in making budget decisions.

This group includes the Chief Digital Officer (CDO), and considers interdependencies, risks, or opportunities for efficiencies. The CDO now approves any advice to Government on budget proposals with technology components.

The advice provided to Government regarding such budget proposals includes an assessment on the robustness of the technology components, the feasibility and complexity of different options, advice on the planning and design, governance, and resourcing, as well as costs and achievability of the timelines.

This addresses the issue of unchallenged assumptions being submitted and prevents the submission progressing past the BASG if adequate investigation has not been undertaken and appropriately documented.

The assessment and analysis of options for the PC-HRM Project have been subject to these new processes and had the benefit of being informed by the reviews commissioned by the ACT Government as well as the Auditor General's Report.

Adequate timelines

The Guide includes steps to ensure adequate assessment of new proposals to allow for required implementation timelines. This is further supported by the CDO's role on the BASG, allowing application of subject matter expertise to the assessment and subsequent advice to Government.

The new processes, applied to the PC-HRM Project, create strengthened capability to better identify project issues, such as insufficient timelines, a benefit that was not available when commencing the HRIMS Project.

Preparation of Business Case

Both the Leeper Review and the Auditor General's Report identified that the assessment to gain a full understanding of the complexity of the current state, and a design for a future state were still in progress when the initial Business Case was submitted for consideration. This contributed to the cost estimates and timelines being overly optimistic and ultimately, not able to be met.

The strengthened government decision-making processes raised above, combined with expansion of the CDO role and the BASG, address the Business Case related challenges identified in both the Audit Report and the Leeper Review.

With the CDO now having access to all ICT related submissions via the BASG, and the approving officer for any official advice, any proposal that fails to convey a thorough understanding of the operating environment and way forward can be identified and adjusted.

Additionally, a new First Pass approval process for initiatives with ICT components is being implemented in 2024 to ensure that robust analysis is undertaken by key stakeholders prior to the start of the ICT investment lifecycle. This will better inform business case development and advice to Government through additional planning, design, and the application of whole of lifecycle cost estimates.

Governance & Administrative Arrangements – Key Findings and Actions

All reviews identified issues with the governance and administrative arrangements of the HRIMS project. While governance was in place, multiple layers led to uncertainty about roles and responsibilities and a reluctance to make critical decisions.

Roles and Responsibilities

The Leeper review highlighted that roles and responsibilities were not clear and that no single person was accountable for the delivery of the HRIMS project. This adversely affected implementation.

To address these challenges, structural changes within the ACTPS have been made. Human resource management, policy and operational experts have now been merged into a single business unit, the Office of Industrial Relations and Workforce Strategy (OIRWS).

As outlined above, OIRWS provides the formal structure to lead the ACTPS industrial and employment agenda into the future. OIRWS supports an effective ACTPS where strategy, industrial relations, WHS and employment policy and governance are developed and delivered in a consistent and collaborative manner. OIRWS is also the whole-of-government Payroll Capability service provider.

Governance guidelines and advice highlight the need for roles and responsibilities and committee memberships to be clearly identified during the planning phase, and the need to ensure that the people in those roles understand their role and obligations.

To eliminate any confusion in the governance and administrative arrangements of the PCHRM program, new clear operating procedures informed by the reviews have been included in the Terms of Reference, including:

- an outline of the purpose and authority;
- agreed program outcomes;
- key program roles and responsibilities; and
- the role of the PC-HRM Program Board and confirmation of the membership.

The key roles include:

- **Business Outcome Owner**
Responsible for decisions on design or delivery issues that relate to policy interpretation or business practice, as outlined above,
- **Chief Digital Officer**
Responsible for ICT decisions and for ensuring the program outcomes are delivered in alignment with industry best practise and whole of Government digital strategies, including the efficient and effective use of ICT resources,
- **Senior Responsible Owner**
The senior official accountable for the Program delivering the stated outcomes. The Senior Responsible Officer reports directly to the Under Treasurer and makes program delivery decisions considering advice and direction from the Under Treasurer, Business Outcome Owner, and Chief Digital Officer, and
- **The Program Director**
Responsible for the program outcomes reporting to the SRO, and daily management of the program throughout the lifecycle of the program. The Program Director is responsible for defining the program's operational governance arrangements, ensuring an appropriate program framework is in place and incorporating appropriate assurance processes. The Program Director is responsible for the ongoing success and leadership of the program in support of the SRO.

For the PC-HRM Program, the Business Outcome Owner is the Deputy Director General of the Office of Industrial Relations and Workforce Strategy (DDG OIRWS) and is accountable to Government and the Special Minister of State for ensuring that the program delivered will meet the business needs of directorates.

The role of the PC-HRM Program Board (the Board) is to drive the program forward to deliver the outcomes and benefits. This Terms of Reference establishes the parameters of the Board.

The PC-HRM Program is recruiting an independent external member with experience in delivering large and complex human resource and payroll transformation projects.

The Board is responsible for:

- providing overall strategic direction for the Program;
- establishing the environment best suited to achieving Program objectives which includes;
 - contributing resources to the multi-disciplinary team as appropriate;
 - endorsing the program plan.
 - reviewing and baselining the program schedule and milestone stage gates
 - setting and demonstrating the behaviours necessary to support the Program outcomes.
 - providing the top-level commitment necessary to implement the Program.

- oversight of the Program to ensure its stated outcomes are achieved across people, process, and technology.
- oversight of the design and delivery of each project stream, including approving delivery of Program milestones and stage gates.
- providing considered advice and input for material decisions that are escalated to the Board for consideration, focused on achieving the Program outcomes.
- providing considered advice and input for decisions that require trade-off between time, cost, and quality elements of the Program.
- agreeing, monitoring, and supporting the realisation of benefits for each project stream, including delivery of expected efficiencies.
- communicating and championing information about the Program or projects to organisations and stakeholder groups.
- identifying and treating Program-wide risks and issues.
- actively resolving any barriers to delivering the Program’s outcomes.
- ensuring the required resources are made available in accordance with the agreed schedule.

Contract Management & Delivery of Services – Key Findings and Actions

The Leeper Review and the Audit Report found opportunities to improve processes in both contract management and in the delivery of services.

Single Source of Truth

The Leeper Review found that the absence of a single source of truth and unified reporting system adversely affected implementation of the Project. There was not a “single team” view of the tasks to be done, which contributed to uncertainty around roles and responsibilities.

An update to the *Guiding Best Practice Design and Delivery Guide* (the Guide) will occur in 2024 to address this finding. This update will include new guidelines to address the need for a single source of truth. This will include guides on establishing dedicated multi-disciplinary teams who are part of an integrated program organisation structure, where all parties work together as “one team”.

The updated Guide will recommend a ‘first stage gate’ for each project be the development and agreement to a single integrated project plan and schedule. The project plan and schedule will contain all streams of work, for all entities contributing to the delivery of the program. All entities will need to formally commit to deliver to the scope and timing outlined in the plan, and the resources required to achieve it. The plan will be baselined and become the single source of truth on project reporting. Project status reports will report progress against the baselined plan, and any changes to the plan can be overtly and transparently managed through governance processes.

Managing contracts and procurement governance

Recognising that governance, roles and responsibilities are first documented at the procurement stage of bringing on any program or system partner, and that is a priority area for reform, the ACT Government commenced implementation of the Procurement Reform Program in July 2022. This work addresses challenges identified in the Report and will drive positive change to deliver efficient, effective, and accountable business outcomes, meet the policy objectives of Government, and otherwise strengthen procurement practices across the ACT Public Service.

Three focus areas have been identified as key to achieving reform:

- transparent, evidence-based procurement decisions which are conducted with probity and can withstand scrutiny;
- support for our workforce, local industries and businesses through clear roles and the delivery of consistent, accurate, timely, practical and customer focused services through all phases of the procurement lifecycle; and
- streamlining our legislative framework, policies, processes, and templates to ensure that they are efficient and can facilitate timely procurement outcomes.

The project to implement a *Procurement Unique Identifier* was successfully launched on 16 April 2023. The unique identifier provides enhanced data capture and analytic capabilities to support a single source of truth by enabling the identification and tracking of a procurement across its lifecycle from planning through to contract closure. Work is underway to ensure that unique identifier is captured on both the ACT Government's Contract Register and the Notifiable Invoices register to provide greater transparency of the ACT Government's expenditure against our contracts.

Another key action was the introduction of the Government Procurement Amendment Bill 2023 (the Bill), which was introduced to the Assembly in November 2023. The Bill aims to clarify and address inconsistencies, to ensure the Act and Regulation are contemporary, draw upon best practice and are fit for purpose.

The Bill also enacts and supports the recommendations that require legislative changes from the Auditor-General's 2023 Performance Audit Report on the Activities of the Government Procurement Board, and clarifies the Board's purpose, function, obligations, and composition.

Upon successful passage of the Bill, matters referred to the Government Procurement Board for advice will be reflective of not only the monetary value of a procurement, but also its risk. The amendments expressly provide for procurements to be referred to the Government Procurement Board during the planning and sourcing phases of the procurement lifecycle.

Relevantly, the Bill will allow the Government Procurement Board to consider, all procurement in the planning stage that relate to information and communications technology and include an element of system development or redesign. The Bill also

strengthens the Government Procurement Board's functions and governance with an appropriate process for escalation when the Board considers that unmitigated risks are not being adequately addressed, including by reference to the relevant chief executive and the portfolio minister.

As part of this Program, all Territory entities are undergoing an evaluation process that is supported by an independent governance body to review each territory entity's capacity and capability to manage procurements. The Program is aligned with the scale, scope, and risk of the procurement to ensure that high-risk and high-value procurements are provided with additional centralised support.

The Accreditation Program ensures that directorates and agencies undertaking goods and services procurement are properly supported to make good procurement decisions.

The Program is currently being implemented and it is anticipated that all Territory entities will have been evaluated and accredited at the appropriate level over the coming months.

Once fully rolled out, Territory entities will be supported through the tiered service delivery model, which will reflect accreditation, and provide a clear and appropriate level of support based on the capacity and capability of the Territory entity undertaking the procurement.

To further support Territory Officers in undertaking procurement and contract management, a Procurement Capability Strategy and supporting Procurement Training Pathways Program has been developed and is being rolled out progressively. This training program supports the ongoing uplift of procurement capability across the Territory and provides an ongoing focus to support continual improvement and learning and development initiatives.

The Procurement Reform Program improves government business, and addresses challenges identified in both the Audit Report and the Leeper review, while helping our economy and our community. It provides more opportunities for industry and local businesses to work with the ACT Government. It supports the capability of our workforce through enhanced training and development programs to help staff make better procurement decisions and a focus on streamlining fosters innovation and timely procurement outcomes.

The program will be progressively implemented and will be completed in mid-2025. Members of the Legislative Assembly and the public can stay informed on the progress of the Procurement Reform Program by visiting Procurement ACT's website, where a dedicated webpage has been created to track implementation of the Reform Program.

Skills Uplift

To further embed all of the changes and updated processes highlighted in this response and to reform our approach to project and program management, skills uplift training for senior leaders, project managers, and members of project teams will be delivered in 2024 and will cover:

- reinforcement of the Best Practice Design and Delivery guidance as a key tool to assist in the successful delivery of initiatives;
- good governance and responsibilities of project board members;
- setting up project plans and establishing a project schedule;
- project reporting and the standard template;
- how to develop current and future state business processes;
- how to identify, manage, and measure benefits; and
- establishing and managing project stage gates.

This uplift will also support the better management and assessment of services being delivered to the Territory including education and information on minimum requirements that need to be met, such as the use of a single reporting system and processes to ensure timelines and checkpoints are being made, met, and reflected in regular, scheduled reporting.

Additional Work

In addition to the above measures to address specific findings, additional work is under way to:

Update the Best Practice Design and Delivery Guide

The Best Practice Design and Delivery guidance will be updated in 2024 to incorporate best practice projects and programs. Examples of the guidance to be added include:

Dedicated multi-disciplinary teams

Programs and projects should be established as dedicated multi-disciplinary teams, to ensure individuals can focus on the work required to achieve project outcomes. This will enable projects to develop an integrated program organisation structure, where all parties work together as “one team”.

Clear stage gates, starting with a single integrated plan

The first stage gate for each program/project should be the agreement to a single integrated project plan and schedule. The project plan and schedule will contain all streams of work, for all entities contributing to the delivery of the program and show dependencies and the critical path. All entities will need to formally commit to deliver to the scope and timing outlined in the plan, and the resources required to achieve it. This will enable it to be baselined and become the single source of truth on project reporting, so that changes are overtly and transparently managed through governance processes.

An ACT standard for project reporting

Guidance on the minimum standard for project reporting including an agreed program/schedule which will be the mechanism through which all steering committee members are engaged on the status of the program.

The program schedule will contain at a minimum, all streams of work, for all entities contributing to the delivery of the program and show dependencies and the critical path.

This schedule will be the master schedule and single source of truth for the program, and a standard template will be socialised and used for all programs with technology components, with a variance option where the project is also a construction project.

Once implemented, this will enable steering committees and program boards to receive up to date and transparent status information in a format that will be familiar and consistent.

Identifying our pipeline of digital projects and prioritising digital investment

A formal process for whole of government ICT strategic planning and prioritisation is being developed to provide a clear and cohesive direction for the government's ICT investments. This process will ensure investments align with existing systems, policies and strategies while delivering services and outcomes that benefit ACT residents and businesses.

The Government is in the process of understanding the current pipeline of digital projects across ACT Government, and working to understand how we can make more strategic investment decisions based on our priorities. This will consider priorities for the short-term and medium-term that can enable digital transformation across the long term.

This piece of work will enable the prioritisation of:

- new ICT and digital solutions;
- enhancements and support for existing ICT; and
- additional funding and resourcing for in-train ICT delivery projects.

This process will enable all directorates and agencies to identify, plan, and prioritise projects with technology components within a whole of government context and to identify the right business outcome owner, business system owner, and users/beneficiaries for each potential project.

Establishment of an Enterprise Project Management Office (ePMO)

Establishing an ePMO has begun, drawing from a range of better practice guides and standards. The focus of the ePMO is to ensure there is a robust, flexible, and responsive project, program, and portfolio management ecosystem, capable of delivering consistent, dependable, and high-quality outcomes.

Summary table

The responses above, the lessons learned, and actions taken have been compiled into the below table to assist in understanding the steps the ACT Government has undertaken, is pursuing or will complete in response to the Auditor-General’s report and the Leeper Review.

Lesson Learned	Action Taken
Planning	
Inadequacies in overall approach to Planning	<p>This finding has been addressed via <i>Guiding Best Practice Design and Delivery</i> (the Guide). Approved by Government, the Guide includes information on the minimum set of activities to be undertaken for any project with a technology component and advice on what executive sponsors and Board members should expect to see.</p> <p><i>PC-HRM Project</i></p> <p>The scope and planning undertaken for the PC-HRM Project is in line with recommended actions from the Leeper Report, including dedicated governance, agreed, and approved by all involved, data analysis to understand the source and required program integrations, privacy impact statements and threat and risk assessments.</p>
Responsible Business Owner not engaged and roles and responsibilities not identified	<p>To address this finding, detailed governance rules, informed by the Leeper and Deloitte reviews have been implemented for technology projects ensuring that project members, such as Business owners are adequately engaged and represented at a sufficiently senior level to drive change within their functions and work with a strategic focus.</p> <p><i>PC-HRM Project</i></p> <p>To ensure the role and responsibilities of the Business Outcome Owner in the PC-HRM Project are clearly understood, the Terms of Reference include a detailed definition outlining that the Business Outcome Owner is the Deputy Director General of the Office of Industrial Relations and Workforce Strategy (DDG OIRWS). The Business Outcome Owner is accountable to Government and the Special Minister of State for ensuring that the program delivered will meet the business needs of directorates.</p>
Consideration of options	<p>Several initiatives have been put in place that will mitigate the risk of decisions being made with partial or incomplete information, and guard against a reoccurrence of this instance.</p> <p>The <i>Guiding Best Practice Design and Delivery</i> document details the required steps to form an initial approach including the need for detailed and thorough analysis.</p> <p>In addition, Government decision-making processes have been strengthened through the Budget Assessment Sub-Group (BASG). This group includes the Chief Digital Officer (CDO), and considers interdependencies, risks, or opportunities for efficiencies.</p> <p>The CDO now approves any advice to Government on budget proposals with technology components.</p>

	<p>The advice provided to Government regarding such budget proposals includes an assessment on the robustness of the technology components, the feasibility and complexity of different options, advice on the planning and design, governance, and resourcing, as well as costs and achievability of the timelines.</p> <p><i>PC-HRM Project</i></p> <p>The assessment and analysis of options for the PC-HRM Project have been subject to these new processes and had the benefit of being informed by the reviews commissioned by the ACT Government as well as the Auditor General’s Report.</p>
Adequate timelines	<p>The <i>Guiding Best Practice Design and Delivery</i> document includes steps to ensure adequate assessment of new proposals to allow for required implementation timelines. This is further supported by the CDO’s role on the BASG, allowing application of subject matter expertise to the assessment and subsequent advice to Government.</p> <p><i>PC-HRM Project</i></p> <p>The new processes, applied to the PC-HRM Project, create strengthened capability to better identify project issues, such as insufficient timelines, a benefit that was not available when commencing the HRIMS Project.</p>
Preparation of Business Case	<p>Strengthened government decision-making processes, combined with expansion of the CDO role and the BASG, address the Business Case related challenges identified in both the Audit Report and the Leeper Review.</p> <p>With the CDO now having access to all ICT related submissions via the BASG, and the approving officer for any official advice, any proposal that fails to convey a thorough understanding of the operating environment and way forward can be identified and adjusted.</p> <p>Additionally, a new First Pass approval process for initiatives with ICT components is being implemented in 2024 to ensure that robust analysis is undertaken by key stakeholders prior to the start of the ICT investment lifecycle.</p>
Governance & Administrative Arrangements	
Roles and Responsibilities	<p>Structural changes within the ACTPS have been made. Human resource management, policy and operational experts have now been merged into a single business unit, the Office of Industrial Relations and Workforce Strategy (OIRWS).</p> <p>Governance guidelines and advice highlight the need for roles and responsibilities and committee memberships to be clearly identified during the planning phase, and the need to ensure that the people in those roles understand their role and obligations.</p> <p><i>PC-HRM Project</i></p>

	<p>To eliminate any confusion in the governance and administrative arrangements of the PCHRM program, new clear operating procedures informed by the reviews have been included in the Terms of Reference. This includes:</p> <ul style="list-style-type: none"> • an outline of the purpose and authority; • agreed program outcomes; • key program roles and responsibilities; and • the role of the PC-HRM Program Board and confirmation of the membership.
<p>Contract Management & Delivery of Services</p>	
<p>Single source of truth</p>	<p>An update to the Guiding Best Practice Design and Delivery Guide (the Guide) will occur in 2024 to address this finding. This update will include new guidelines to address the need for a single source of truth. This will include guides on establishing dedicated multi-disciplinary teams who are part of an integrated program organisation structure, where all parties work together as “one team”.</p> <p>The updated Guide will recommend a ‘first stage gate’ for each project be the development and agreement to a single integrated project plan and schedule. The project plan and schedule will contain all streams of work, for all entities contributing to the delivery of the program. All entities will need to formally commit to deliver to the scope and timing outlined in the plan, and the resources required to achieve it. The plan will be baselined and become the single source of truth on project reporting. Project status reports will report progress against the baselined plan, and any changes to the plan can be overtly and transparently managed through governance processes.</p>
<p>Managing contracts and procurement governance</p>	<p>Implementation of the <u>Procurement Reform Program</u> which commenced in July 2022 will address challenges identified with HRIMS and will drive positive change to deliver efficient, effective, and accountable business outcomes, meet the policy objectives of Government, and otherwise strengthen procurement practices across the ACT Public Service.</p> <p>The Reform Program includes:</p> <ul style="list-style-type: none"> • The <u>Procurement Unique Identifier</u> (April 2023) provides enhanced data capture and analytic capabilities to support a single source of truth by enabling the identification and tracking of a procurement across its lifecycle from planning through to contract closure. • The <u>Government Procurement Amendment Bill 2023</u> (the Bill) aims to clarify and address inconsistencies, to ensure the Act and Regulation are contemporary, draw upon best practice and are fit for purpose. The Bill also enacts and supports the recommendations that require legislative changes from the Auditor-General General’s 2023 Performance Audit Report on the Activities of the Government Procurement Board, and clarifies the Board’s purpose, function, obligations, and composition. • All Territory Entities are part of a new <u>Accreditation Program</u> ensuring that directorates and agencies undertaking goods and services procurement are properly supported to make good

	<p>procurement decisions. This includes undergoing an evaluation process that is supported by an independent governance body to review each territory entity’s capacity and capability to manage procurements. The Program is aligned with the scale, scope, and risk of the procurement to ensure that high-risk and high-value procurements are provided with additional centralised support.</p> <ul style="list-style-type: none"> • Once fully rolled out, Territory entities will be supported through the tiered service delivery model, which will reflect accreditation, and provide a clear and appropriate level of training and support based on the capacity and capability of the Territory entity undertaking the procurement.
Skills uplift	<p>Skills uplift training for senior leaders, project managers, and members of project teams will be delivered in 2024 and will cover:</p> <ul style="list-style-type: none"> • reinforcement of the Best Practice Design and Delivery guidance as a key tool to assist in the successful delivery of initiatives; • good governance and responsibilities of project board members; • setting up project plans and establishing a project schedule; • project reporting and the standard template; • how to develop current and future state business processes; • how to identify, manage, and measure benefits; and • establishing and managing project stage gates. <p>This uplift will also support the better management and assessment of services being delivered to the Territory including education and information on minimum requirements that need to be met, such as the use of a single reporting system and processes to ensure timelines and checkpoints are being made, met, and reflected in regular, scheduled reporting.</p>
Additional work	<p><u>Update the Best Practice Design and Delivery Guide</u></p> <p>The Best Practice Design and Delivery guidance will be updated in 2024 to incorporate best practice projects and programs. Examples of the guidance to be added include:</p> <p><i>Dedicated multi-disciplinary teams</i></p> <p>Programs and projects should be established as dedicated multi-disciplinary teams, to ensure individuals can focus on the work required to achieve project outcomes. This will enable projects to develop an integrated program organisation structure, where all parties work together as “one team”.</p> <p><i>Clear stage gates, starting with a single integrated plan</i></p> <p>The first stage gate for each program/project should be the agreement to a single integrated project plan and schedule. The project plan and schedule will contain all streams of work, for all entities contributing to the delivery of the program and show dependencies and the critical path. All entities will need to formally commit to deliver to the scope and timing outlined in the plan, and the resources required to achieve it. This will enable it to be baselined and become the single source of truth on project reporting, so that changes are overtly and transparently managed through governance processes.</p>

An ACT standard for project reporting

Guidance on the minimum standard for project reporting including an agreed program/schedule which will be the mechanism through which all steering committee members are engaged on the status of the program.

The program schedule will contain at a minimum, all streams of work, for all entities contributing to the delivery of the program and show dependencies and the critical path.

This schedule will be the master schedule and single source of truth for the program, and a standard template will be socialised and used for all programs with technology components, with a variance option where the project is also a construction project.

Once implemented, this will enable steering committees and program boards to receive up to date and transparent status information in a format that will be familiar and consistent.

Identifying our pipeline of digital projects and prioritising digital investment

A formal process for whole of government ICT strategic planning and prioritisation is being developed to provide a clear and cohesive direction for the government's ICT investments. This process will ensure investments align with existing systems, policies and strategies while delivering services and outcomes that benefit ACT residents and businesses.

The Government is in the process of understanding the current pipeline of digital projects across ACT Government, and working to understand how we can make more strategic investment decisions based on our priorities. This will consider priorities for the short-term and medium-term that can enable digital transformation across the long term.

This piece of work will enable the prioritisation of:

- new ICT and digital solutions;
- enhancements and support for existing ICT; and
- additional funding and resourcing for in-train ICT delivery projects.

This process will enable all directorates and agencies to identify, plan, and prioritise projects with technology components within a whole of government context and to identify the right business outcome owner, business system owner, and users/beneficiaries for each potential project.

Establishment of an Enterprise Project Management Office (ePMO)

Establishing an ePMO has begun, drawing from a range of better practice guides and standards. The focus of the ePMO is to ensure there is a robust, flexible, and responsive project, program, and portfolio management ecosystem, capable of delivering consistent, dependable, and high-quality outcomes.

Conclusion

The ACT Government is committed to learning the lessons from the HRIMS Program, and applying these to make systemic changes to the way Government manages future projects, including those related to payroll and human resources, digital transformation, and acceleration, as well as investment in digital-centric services.

Through the findings made by the Auditor-General, the reviews already undertaken by the ACT Government, and the actions already implemented, new systems and processes are in place to ensure that future ICT and payroll projects are developed with best practice design and delivery, have quality governance structures with quality oversight and accountability and are developed along with the core principles of our ACT Digital Strategy.

The ICT and systems environment is now vastly different from 2017 and presents even more interconnected and intelligent options to support vital processes like HR and payroll management.

These new options present the opportunity to continue to improve payroll capability and human resource management by applying the lessons learned through the HRIMS Project and implementing a lower cost, lower risk solution for the Territory.

This will address the challenges currently faced and reduce risk profiles by eliminating the need for heavy customisation. This is now possible due to the evolution of the existing HR/Payroll software, changes to standard business processes and extensive knowledge gained through the HRIMS Project.

The upgrades now available have greater functionality so that when combined with the adjustment of relevant business processes, customisation for our unique workforce is no longer required. Automation of current manual workarounds is viable, enabling a more efficient and sustainable approach, now and into the future.

The new PC HRM program is incorporating extensive and clear governance, roles and responsibilities, project plans and reporting rules, all of which will include remediation and or mitigation for risks and opportunities for improvement identified in the Auditor-General's report and other reviews undertaken.

The ACT Government is confident in the ability of the ACTPS to embrace and apply the lessons learned from the HRIMS project across all future ICT project, and in the process build a robust risk culture that promotes transparency, human centred design, stakeholder inclusion and a commitment to best practice project and program management.