

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**REVIEW OF
AUDITOR-GENERAL'S REPORT
NO 3, 1998**

Major IT Projects - Follow-up Review

**STANDING COMMITTEE FOR THE CHIEF MINISTER'S PORTFOLIO
(INCORPORATING THE PUBLIC ACCOUNTS COMMITTEE)**

Public Accounts Committee Report Number 11

November 1998

RESOLUTION OF APPOINTMENT

The Standing Committee for the Chief Minister's Portfolio was appointed by the Legislative Assembly on 28 April 1998 to examine any matter under the responsibility of the Chief Minister's portfolio. The Assembly also resolved that the committee perform the duties of a public accounts committee, specifically:

- (a) to examine:
 - (i) the accounts of the receipts and expenditure of the Australian Capital Territory;
 - (ii) the financial affairs of authorities of the Australian Capital Territory; and
 - (iii) all reports of the Auditor-General which have been laid before the Assembly;
- (b) to report to the Assembly, with such comments as it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed; and
- (c) to inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question.

MEMBERSHIP OF THE COMMITTEE

Mr Ted Quinlan MLA Committee Chair

Mr Trevor Kaine MLA Deputy Committee Chair

Mr Greg Cornwell MLA

Secretary: Bill Symington

1. INTRODUCTION

1.1. Auditor-General's Report No 3, 1998 was presented to the Assembly on 25 June 1998.

1.2. The Auditor-General reported on the implementation of major IT projects in 1994 and this audit reviewed the status of some six projects underway in 1994 to determine whether¹

- (i) the actual use of systems since implementation continues to justify the investment
- (ii) for any systems abandoned this was the result of factors which could not have been reasonably foreseen
- (iii) for systems not fully implemented in 1994 the subsequent implementation and operation has been effective.

1.3. The projects audited were:²

- Transport Regulation Information Processing (TRIPS) - Department of Urban Services
- Titles Automated Register and Document Information System (TARDIS) - Department of Justice and Community Safety
- Nursing Information Management System (NIMS) - The Canberra Hospital
- Budget Outlays and Revenue Information System (BORIS) - Chief Minister's Department
- Development Approval Register and Tracking System (DARTS) - Department of Urban Services
- Commonwealth Legal Aid Support System (CLASS) - Legal Aid Commission

1.4. Year 2000 issues are being reviewed separately by the Audit Office.

2. AUDIT FINDINGS

2.1. The audit found that:³

- (i) use of TRIPS, TARDIS, DARTS and CLASS justified the relevant investments
- (ii) factors leading to the abandonment of BORIS (in 1996) and CLASS (in 1998) could not have been reasonably foreseen

¹ Audir report p2

² ibid p1

³ ibid p3

- (iii) NIMS, not fully implemented in 1994, had been implemented and was effective
- (iv) agencies have appropriate contingency plans for system failures but these have not been tested in real conditions
- (v) vendor support for TRIPS may not be sufficient for growth and system enhancements
- (vi) DART's information database may not be complete or accurate
- (vii) DART development application processing controls are deficient
- (viii) NIMS requires further development before it can provide the benefits of a fully integrated system

Committee approach

2.2. Comment on the audit findings was sought from the Chief Minister who provided to the committee a Government Action Plan in response to the audit findings.⁴

3. GOVERNMENT ACTION PLAN

3.1. In this section of the report the committee draws attention to those audit findings which required a substantive response by Government.

Contingency plans

3.2. In response to the audit finding each agency should conduct live contingency testing to determine if its business resumption contingency procedures are practical and effective,⁵ the Chief Minister advised that contingency arrangements, including backup of systems and data, have been negotiated with InTACT as part of the Service Level Agreement.

3.3. Outlining what steps have been taken, the Chief Minister advised that tape copies are taken and stored off-site. In the event of some catastrophic damage to the building housing the system, the application will be recovered from the backup tapes on the replacement hardware. The Chief Minister further advised that the TRIPS contingency plan will be integrated and tested by InTACT on behalf of the Department of Urban Services to ascertain its effectiveness.

⁴ Chief Minister, letter to the committee dated 2 October 1998

⁵ Audit report p7

3.4. With regard to contingency arrangements for TARDIS, the Chief Minister advised that the its application resides on a server called Apollo (production) and is backed up onto another server called Horus. Apollo is also backed up onto a tape, which is subsequently stored off site; and the Registrar-General's Office (RGO) has conducted testing of the Horus back up server as the contingency to the production system. In addition, the RGO has tested recovery on both production and back up machines from tape.

Vendor support for TRIPS

3.5. The TRIPS system combines motor vehicle registration, driver licensing and parking enforcement.⁶ The audit noted that TRIPS uses DBQ Rational Database Management System record structure and software, but because of the relative age of the DBQ product, the development expertise expected from the vendor may not be sufficient to support ongoing growth and systems enhancements.⁷

3.6. In response, the Chief Minister advised that this is a valid assessment for the DBQ database product as the market for applications development and support skills using DBQ is extremely limited and there are no competitors for the one local provider. This provider is experiencing difficulties sourcing staff trained in an arcane tool that has no broad industry penetration, and no career prospects for the staff.

3.7. The Chief Minister advised that the Department of Urban Services has been concerned with the issue of risk exposure presented by DBQ for some time and to address this it had allocated \$125,000 to road use management in the 1997-98 budget for a business plan to resolve the matter.

3.8. The Chief Minister further advised that the Department plans to:

- provide the opportunity to grow the local IT economy
- meet the constituents demand for greater services
- address new fiscal concerns
- streamline government processes
- provide high levels of security and privacy while widening access
- be more able to rapidly respond to change

3.9. Negotiations to begin the project are continuing with the InTACT and it is anticipated that expressions of interest will be called in early 1999.

3.10. From other sources, the committee is aware that a pilot scheme for licensed dealers to process new car registrations from their premises was established in 1995 with the eight pilot scheme participants each investing over \$3,000 in equipment and with additional staff training and communication line costs.⁸ The committee understands the dealers, through the ACT Motor Trades Association, have called for

⁶ *ibid*, p12

⁷ *ibid* p14

⁸ ACT Motor Trades Association, paper - Summary of Election Issues, February 1998

the scheme to be introduced in full but have been advised the Departmental computer cannot handle the additional load.

3.11. The committee is concerned that these motor dealers, having been encouraged to invest in the pilot scheme, should be either given access to on-line registration through TRIPS or reimbursed for their outlays.

Software maintenance support for the TARDIS application.

3.12. The audit noted that the absence of software support makes the Registrar-General's Office vulnerable to a high level of risk should a major program and/or logic error occur.⁹

3.13. In response, the Chief Minister advised that InTACT provides infrastructure support and database support for all of the RGO business systems including TARDIS. This support allows for InTACT to call in Oracle, the company which provides the database management program on which the TARDIS application runs. While there could be concerns that a major program/logic error might occur, TARDIS has proven particularly stable over the past 8 - 10 years.

3.14. The Chief Minister further advised that the Department of Justice and Community Safety's Year 2000 compliance efforts also resulted in Oracle being engaged during April 1998 to undertake an upgrade of the Oracle software and the TARDIS application and this may ultimately lead to a contractual arrangement for support of the TARDIS application.

Nursing Information Management System (NIMS)

3.15. The audit found that further development is required before NIMS can provide The Canberra Hospital with the expected benefits of a fully integrated system.¹⁰

3.16. The Chief Minister advised that investment in NIMS by The Canberra Hospital has increased efficiency within the nursing service. This will be further enhanced with the implementation of the Excelcare modules such as clinical pathways and quality management. Excelcare will interface with the Hospital's clinical costing system, Trendstar, when the latter is implemented throughout the hospital in early 1999.

⁹ Audit report p18

¹⁰ ibid p20

Development Approval Register and Tracking System (DARTS)

3.17. The audit found that the information on the DARTS Database may not be complete or accurate.¹¹

3.18. In response, the Chief Minister advised that provision has been made in the Planning and Land Management (PALM) 1998-99 budget for an audit to proceed in the near future and that it should be noted that the audit will extend beyond DARTS computer system to include the wider development application process.

3.19. The audit also found that development application processing controls for DARTS are deficient¹² and responding to this matter the Chief Minister advised that PALM is close to completing a major review of development application assessment and approval processes, utilising a review report from an external consultant, which may lead to system changes to streamline its work flow and data systems, including DARTS, to improve customer service. The Chief Minister further advised that the migration of all PALM business application systems (including DARTS) to Oracle forms is currently underway, providing an opportunity to make minor changes to the applications, and during these system and process improvement activities, the opportunity will be taken to improve processing controls where appropriate.

4. COMMITTEE COMMENT

4.1. The committee considers the follow-up audit to have been both timely and of benefit to the agencies concerned.

4.2. With the exception of TRIPS, the committee is satisfied that implementation of major IT projects has been justified in terms of more effective management. The committee is generally satisfied that agencies have either addressed, or are in the process of addressing, those matters identified by the audit as requiring further attention.

4.3. With regard to TRIPS, the committee considers the Government should examine the position of the motor dealers who have participated in the pilot scheme and assess whether it will be possible to have the dealers access on-line registration through TRIPS at an early date. If that is not possible, the Government should give consideration to reimbursement to the dealers concerned for their financial outlays on the pilot scheme.

4.4. With regard to the small number of cases where remedial action is underway but has yet to be finalised the committee will recommend that the Government report on the outcomes of remedial action within a reasonable time.

¹¹ ibid p31

¹² ibid

5. RECOMMENDATIONS

5.1. The committee recommends that the Government:

- (1) inform the Assembly on:**
 - (i) the outcome of negotiations between the Department of Urban Services and InTACT relative to a replacement for the TRIPS DBQ database and details of the replacement database (paragraph 3.9 above);**
 - (ii) the outcome of the Department of Justice and Community Safety upgrade of the Oracle software for the TARDIS operation (paragraph 3.14 above);**
 - (iii) the effectiveness of The Canberra Hospital's use of the Trendstar clinical costing system after its implementation in early 1999 (paragraph 3.16 above);**
 - (iv) the outcome of the PALM sponsored audit of the DARTS database and wider application processes (paragraph 3.18 above); and**
 - (v) the outcome of PALM's review of the development application assessment and approval processes (paragraph 3.19 above); and**
- (2) address the question of the viability of remote site application of TRIPS with a view to either guaranteeing that the motor dealers who have invested in the pilot scheme will have that investment vindicated or reimbursing the dealers for their outlays, and that the Assembly be informed on the outcome (paragraph 3. 11 above).**

Ted Quinlan MLA
Chair