



Inland Revenue

Independent Quality & Technical Assurance
Business Transformation Programme

FINAL

March 2016

This report contains 85 pages

The detailed terms of reference are included in this document as appendices 4.1 and 4.2.

1.3 Overview of Our Assessment

Overall the Programme continues to be managed in accordance with good industry practice, and the controlling processes are, in our view, robust and fit for purpose. The programme has remained largely on track, with some elements delivering well ahead of schedule whilst delivery of some artefacts and deliverables looks like it may slip beyond the “red date” that signifies the planned end of Detailed Design. However, as we note below and the body of the report we are comfortable that the programme is on track to complete the design phase and commence the implementation phase on schedule.

We have noted the following summary points for consideration:

- **Governance:** The current governance mechanism continues to function effectively, and is changed considerably to suit the changing needs of the programme.
- **All of Government (AoG):** We noted good operational engagement between IR and colleagues in Central Agencies. The work undertaken since our last review in relation to common capability and ICT procurement is noteworthy in demonstrating good coordination and cooperation between agencies. There are opportunities for the sector to seek to leverage good practice displayed at BT in securing lower rates on behalf of AoG. Continued information and knowledge sharing with agencies will be required to support this.
- **Benefits Case:** The Cabinet approved the BT Business Case on 23 November 2015. This was a significant milestone in that it provided the multi-year funding envelope necessary to allow the programme to proceed with its staged implementation plan. However pulling the timing of the business case submission forward has impacted the completion of the detailed benefits realisation plan for stage 1, which will now be delivered by the end of March.
- **Programme Management Practices:** The approach to programme management continues to be robust and fit for purpose though there is a recognition that some processes such as scheduling and dependency management will require improvement to meet the needs of the implementation phases.
- **Resourcing:** The programme continues to be adequately resourced. Indeed the general consensus is that recruitment and retention of staff has been less of a challenge than had previously been expected. The overall level of staff turnover is low and there are very few unfilled roles. That

said there is also recognition that the scale of the programme will increase significantly as it moves towards implementation and that recruitment and retention will remain key challenges.

- **Organisational Change Management:** Planning for organisational change is robust and we were pleased to note the level of business leadership “pull” of the transformation – see the programme as the delivery service for business changes that have to be led by the business. The “Transition hub” should provide a real focus on ensuring that the whole of the IRD is engaged with, and understands, the scale of the multiple change iterations that will take place over the duration of stages 1 to 4 of the programme.
- **Gentax Detailed Design:** The design and “build” of the Gentax “START” core tax and social policy solution is following an iterative approach that does not necessarily align with the waterfall based approach of much of the rest of programme activity. Whilst this is perfectly manageable it does require close coordination when considering the interfaces with Heritage systems and data activities. That said, the Gentax detailed design (and the other related detailed design phase deliverables from the Core Tax & Social Policy work stream), are in accordance with expectations at this point in the Programme, and fit-for-purpose.
- **Requirements Traceability:** The Programme has effective management and governance processes to demonstrate traceability of the START solution to the RFP requirements. The comprehensive traceability mechanism/matrix for the Programme is complex, and population of this matrix will be ongoing, and will ultimately drive the test plan.
- **Coexistence:** This is a highly challenging areas for the programme and carries a substantial level of risk to the overall timelines due to the highly integrated nature of the legacy systems that will have to be suspended or de-commissioned in stages as the START deployment rolls out. Whilst there have been some delays to the early stages of delivery, significant progress has been made recently in recovering the slippage and the appointment of Accenture to take a leading role in this area has been positive.

It is clear from the summary above, and illustrated in the programme control strengths on the following pages that the Programme continues to be well controlled and is working towards both its short and long term goals. Programme control remains very good; indeed in many areas the programme continues to be among the most effective we have seen. The procurement process in particular has been very effective with many examples of good practice. We would encourage IRD to share its knowledge, learnings and experience in this area with the rest of the sector. However there are several areas where additional focus would be beneficial. These include:

Time & Schedule

The Programme has found it significantly more challenging to maintain the delivery cadence through the detailed design phase than in prior phases. This is evidenced by the fact that whilst the programme performed exceptionally well to achieve endorsement of the Business case by Cabinet and



commencement of the START stage 1 build ahead of schedule, close to 50% of design phase deliverables remained outstanding as at the “green” delivery date and it will require focused effort to ensure all necessary deliverables are complete by the “red” date at the end of March.

Risks and Issues

The Programme’s management of risks and issues continues to be diligent, effective and transparent. On an administrative point, we have observed challenges in the timely update of the risk-register, seemingly as a result of resource constraints in the PMO.

Methodology

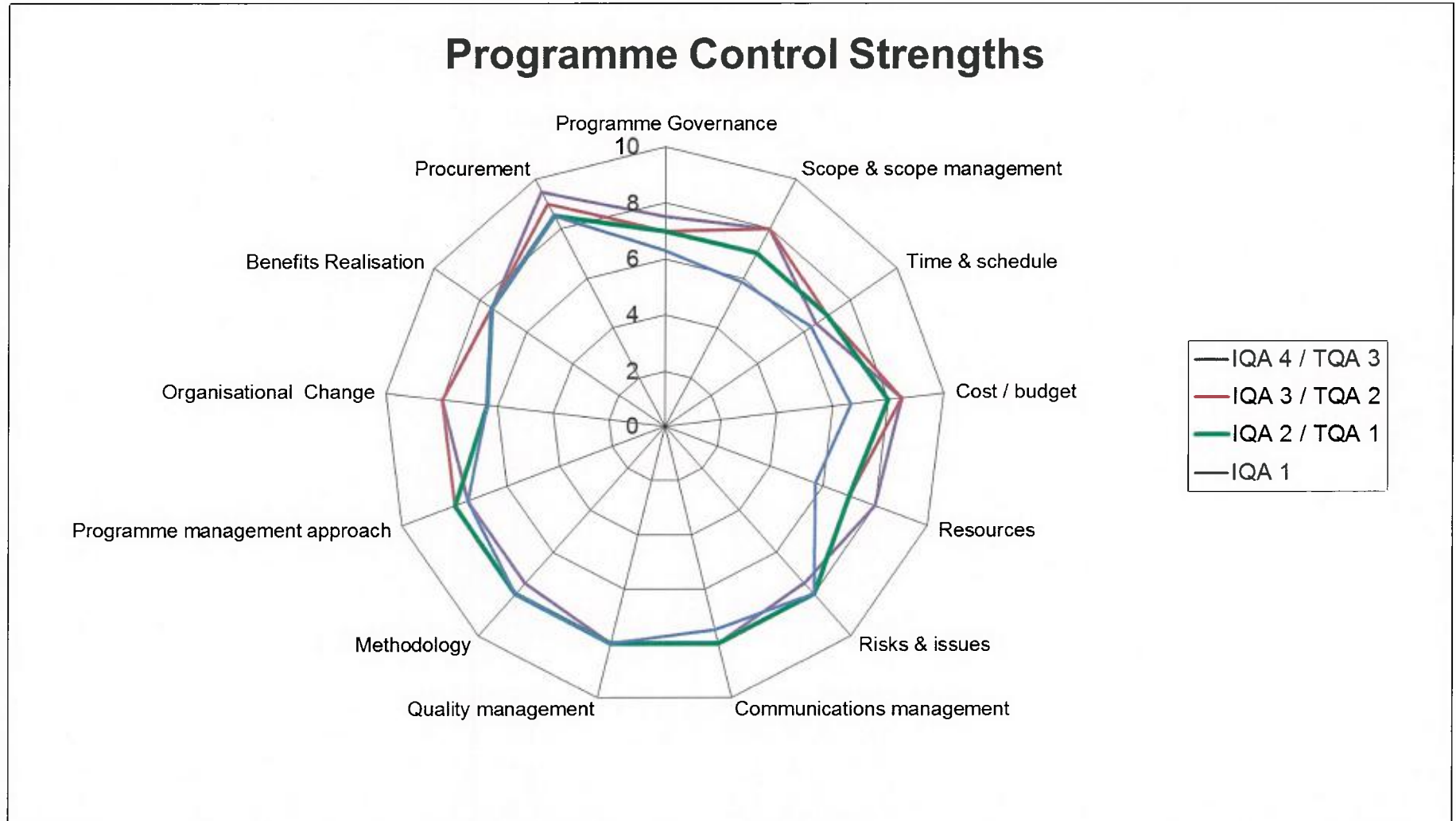
The Programme has had to integrate into the BT methodology, delivery services from the two principal third-party providers (Accenture and FAST Enterprises), each having their own preferred ‘ways-of-working, and methodology.





The need to align the differing methodologies has required effort and time to achieve, with a focus on achieving on time outcomes whilst allowing FAST, in particular, to follow their preferred project approach. A residual risk remains as a consequence, which the Programme will need to mitigate carefully.

Programme Management Approach

We have previously noted the discipline and focus employed to date in ensuring that the various work streams operate in a consistent and coordinated way. However our observations, reinforced by several comments made by interviewees, are that the current techniques and tools used for programme management are becoming increasingly stretched by the scale and complexity of current and future activities.

Programme Control Strengths



Priority	Definition	IQA 4	TQA 3
	Major Risk/Issue - Potential showstopper and likely to have a significant impact on time, costs or quality. Significant improvements recommended.	0	0
	Medium Risk/Issue - May have an important impact on time, costs or quality. Some improvements are recommended.	2	2
	Low Risk/Issue - Some improvements are required to finalise the step.	5	1
	Good practice - Well controlled but minor efficiency improvements may be required and recommended.	10	2
TOTAL		17	5

The key points we wish to emphasise from our detailed reported are noted in sections 2 and 3 below.

1.4 MSP Comparison

In March 2014 KPMG undertook a Programme Baseline Review in which we assessed the Programme against six of the nine Managing Successful Programmes (MSP) Programme governance themes. At the time we assessed the themes against the implementation of the design/process and the effectiveness of the theme i.e. consistency of use. As part of the current review we have been requested to undertake a similar assessment. We have completed this on an experiential basis i.e. from the lens of experienced MSP practitioners.

MSP Assessment Area	March 2014 Design Assessment	March 2014 Effectiveness	February 2016 Effectiveness
Organisation/Structure	G	A	G
Vision	G	●	●
Leadership and stakeholder engagement	G	A	G
Benefits Management	Not Assessed	Not Assessed	A
Blueprint Design & Delivery	Not Assessed	Not Assessed	G
Planning and Control	G	A	A
Business Case	Not Assessed	Not Assessed	G
Risk and issue management	G	G	Y
Quality and assurance management	G	G	G

Commentary in relation to each of the areas assessed as amber is include in our analysis in section 2 of this report.