



Inland Revenue report: Business Transformation Programme second independent quality assurance review and first technical quality assurance review

Date:	12 February 2015	Priority:	High
Security level:	In confidence	Report number:	IR2015/043

Action sought

	Action sought	Deadline
Minister of Revenue	Note the contents of this report	None

Contact for telephone discussion (if required)

Name	Position	Telephone
Greg James	Deputy Commissioner, Change	Withheld under s9(2)(a) of the OIA

12 February 2015

Minister of Revenue

Business Transformation Programme second independent quality assurance review and first technical quality assurance review

1. Inland Revenue has received the results of the second independent quality assurance (IQA) review and the first technical quality assurance (TQA) review of the Business Transformation Programme. These were commissioned from KPMG and delivered together.
2. The findings are positive and show the Business Transformation Programme continues to have strong governance and management, is set up to succeed, has the appropriate rigour and quality, and is well prepared for the design phase.
3. KPMG's report *Inland Revenue Business Transformation Independent Quality Assurance* (January 2015) is attached for your information, along with our management response.

Background

4. KPMG was engaged in January 2014 to undertake a review of the Business Transformation Programme. The aim of the review was to provide independent assurance to relevant stakeholders that the programme governance arrangements, expected project controls, and programme delivery methodology are robust and meet the State Services Commission *Guidance for Monitoring Major Projects and Programmes*.
5. This IQA review (IQA2) follows KPMG reviews in March (IQA1) and June 2014 (addendum to IQA1), and is combined with the first TQA review of the Programme (TQA1).
6. The review also recognises, and provides a summary of progress addressing the recommendations of, the Gateway review (September 2014) and the Deloitte review (September 2014).
7. The focus of the IQA2 was to examine whether:
 - programme management and controls are robust, appropriate and fit for purpose
 - programme management practices such as methodology, planning and monitoring are robust and appropriate
 - the programme is likely to be successful based on the current state of governance, management and programme management practices.

8. The focus of the TQA review was on whether the solution/technical architecture is appropriate for the programme with regard to the approved scope and stage of the lifecycle. Key components of the TQA included:

- alignment of design planning and approach with the programme charter and programme execution plan;
- a review of the approach to the commercial off-the-shelf (COTS) expression of interest and associated activities;
- an assessment of whether the programme is ready to enter the design phase.

Findings

9. Overall the IQA2 shows that the programme is well positioned to start design with positive comment on the rigour and quality of managing outputs.

10. It concluded that:

“the Programme has been set up to succeed, and is suitably prepared to begin the Design phase, while being aware of the considerable challenge of sustaining the good progress thus far.”

11. Key findings from the IQA2 are that:

- The programme approach to reporting is comprehensive, effective and appropriate for the current stage.
- The programme approach to communications and stakeholder engagement is comprehensive, effective and appropriate for the current stage.
- The programme approach to deliverables management is comprehensive, effective and appropriate for the current stage.
- The design principles and COTS EOI are fit-for-purpose.
- There is a consistent focus on ensuring the programme outcomes and activities are aligned to Government policy.
- That there were additional improvements made to the Programme Control Strengths since the first assessment, reported in IQA1.

12. Key findings from the TQA1 include that:

- The high-level programme timeline is appropriate.
- The high-level business and technical architectures are appropriate and are aligned with the stated design and architectural principles.
- The process for recognising and managing the Inland Revenue-wide portfolio of in-flight and pipeline of initiatives that would (or do) impact the programme is not fully mature or effective.
- Appropriate governance is in place in relation to future solution and architectural design.
- The role of executive management within the design governance structures is generally understood and functioning effectively at present.
- There is a clear and documented link between the stakeholder requirements and the business requirements that will drive the high-level design process.
- There is clear executive support for the work products and overall programme scope has been demonstrated through our interviews and through the formal governance processes and artefacts.

Review recommendations

13. KPMG concluded that there were no major or medium level risks and / or issues that are likely to have a significant impact on the Programme timeline, cost or quality profile. KPMG concluded that there were 29 low risk / good practice recommendations that could provide some additional benefit. The Programme Management team has noted that all but two of these recommendations were already under active management, and has accepted the additional recommendations.

Recommended action

I recommend that you **note** the contents of this report and the attached quality assurance report from KPMG.

Noted



Greg James

Deputy Commissioner Change, Inland Revenue

12 February 2015

Hon Todd McClay

Minister of Revenue

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