

ICT and e-government

Bury Metropolitan Borough Council

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Summary Report

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Reference:	Draft report - JF comments – Draft Version 1
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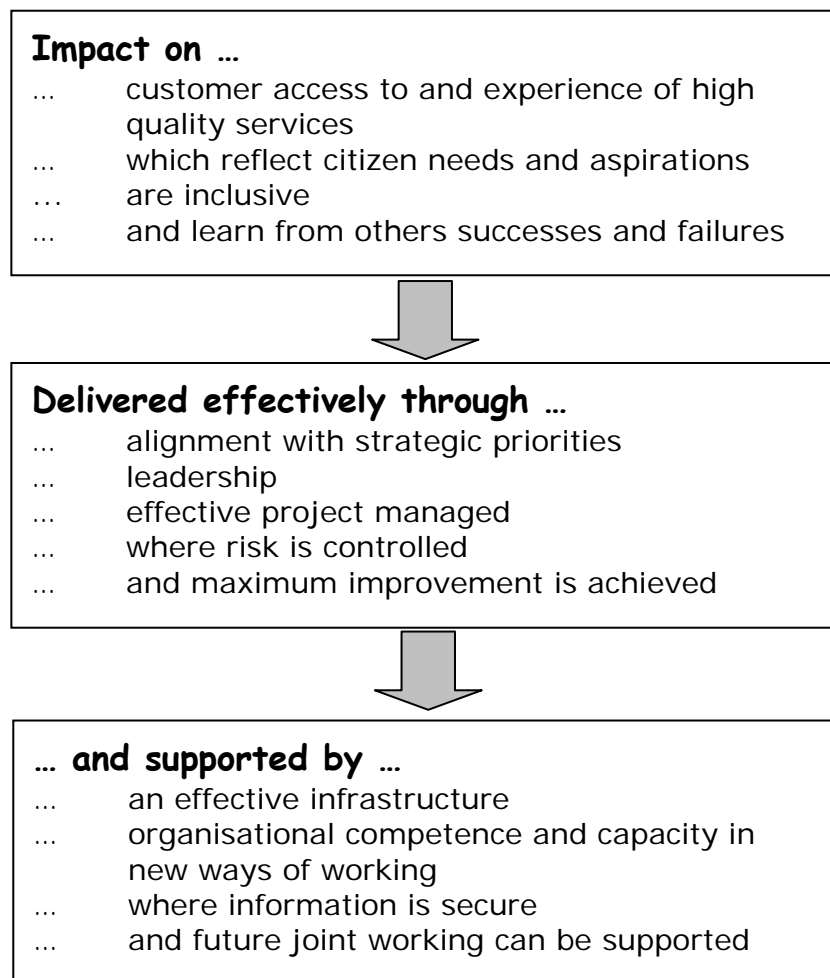
Introduction

Bury have developed an ambitious improvement programme underpinned by investment in and implementation of an information and communication technology (ICT) infrastructure to support a new suite of corporate and departmental applications. Within our review we have focussed on the arrangements for the corporate applications – financial management and procurement, HR and payroll and customer contact; and the Revenues and Benefits system replacement.

Audit approach

The review has been conducted during October and November 2004 through document reviews, interviews and workshops. This report has been prepared as a draft for discussion with the Council prior to finalising and agreeing the method of reporting.

We have focussed our investigation around the following key themes:



Main conclusions

Impact

There is evidence that the e-government improvement programme will support the delivery of improved outcomes for customers, improved support services, efficiency savings and new ways of working.

The e-government improvement programme is effectively aligned with corporate priorities and reflected in service improvement plans. Customer access to services has been a priority in the improvement plan for the last two years and funding has been provided to improve the ICT infrastructure and to procure systems. Members of the Management Board show commitment by acting as champions for the three corporate application areas and service areas are investing significant resource into the project groups associated with the changes. There is strong evidence that the Council can deliver improved service outcomes.

The planned programme of change intends to improve customer access to services and, through delivery of efficiency savings and application of business intelligence, to enable improvements to services. This approach is informed by a positive focus on customer needs and a sustained focus on improvement.

There are a number of assumptions about improvement priorities which underpin investment priorities. Expected benefits from the e-government improvement programme are not clearly defined or tested. The assumption that they will deliver improvements to Bury citizens will need to be tested as new ways of accessing services become available to ensure that the desired benefits are achieved and that the improvements are fully inclusive.

The Council is not effectively learning from others experiences of e-government through for example, the National Projects. Whilst officers have attended seminars they have failed to build effective relationships with other councils to enable them to use these experiences to inform their own work. This may be due to a natural reluctance to commit the necessary time to look behind the 'spin' of apparent successes.

Recommendations

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| R1 | Develop mechanisms to review the impact of customer access improvements from a service user perspective paying particular attention to inclusion issues. |
| R2 | Work more effectively to learn from and contribute to sub-regional and regional e-government partnerships. |

Delivery

There are broadly effective arrangements for the management of the change but these are inconsistently applied throughout the delivery of the programme.

There is an overall programme steering group with the executive sponsors for each of the major applications and the Assistant Chief Executive and the Director of Corporate Resources. Each project has a project board supported by the Bury implementation of a corporate project management methodology. There is a dedicated project manager for each project. This framework together with the traffic light reporting used for the projects provides the potential to deliver effective governance of the change programme. We used guidance from the National Audit Office report on Successful IT – Modernising Government to assess how well the executive sponsor role was being carried out. There is potential for improvement, primarily through developing a more proactive approach to the role. The guidance is attached as an appendix to this report.

We found that key officers engaged with these change projects had not been fully briefed on the 'big picture' of corporate change and hence in their interactions with service managers may not be able to provide the support necessary for delivery of improvement. We believe that investment in developing these officers through existing performance management will reap dividends through ensuring consistent messages are delivered throughout the council and that conflicting priorities are managed more effectively.

We focussed on arrangements to manage risk and to realise the benefits of the investment. Whilst we found high level commitment to the principles of good project management the effectiveness of these arrangements was variable between the projects as shown in the exhibit below.

EXHIBIT 1 – PROJECT ASSESSMENT

Projects follow a corporate methodology which requires management of risks and realisation of benefits. Arrangements for managing risks are not consistent and would benefit from an effective quality assurance framework. There has been variable application of business process re-engineering and there is no clear framework to ensure that common benefits are identified e.g. timeliness of service delivery, quality, efficiency.

Application	Managing risk	Realising benefits
Financial Management – existing functionality	Initial risks have been identified but are not actively managed, in particular, the migration of data to the new system has not yet been considered adequately. There is provision for extension of the mainframe contract in the event of slippage on timescales.	Benefits through reducing some tasks of the central financial functions have been identified. Departments recognise the potential for improvement through better financial information and the reducing bureaucracy. The full benefits have not been identified as little attention has been paid to modelling how existing business processes work and ways to improve them.
Procurement	This phase of the financial implementation has not been fully planned and integrated within the council's improvement of its procurement processes. Without clarity on the role of the system in improvement, it has not been possible to identify risks and make arrangements to mitigate against them.	Significant work is taking place on mapping businesses processes to support procurement. This work should identify efficiency and timeliness benefits.
HR and Payroll	Organisational and technical risks have been identified and are being managed effectively.	Benefits have been identified but the most significant aspect of the change will be cultural. Realising cultural change will be dependent on developing arrangements for displaced staff.

Application	Managing risk	Realising benefits
Customer Contact – pilot in Environment and Development Services	<p>The implementation of the Bury approach to customer contact is being subject to a 'proof of concept' within Environment and Development Services.</p> <p>The applications within the department are relatively small and the changes are intended to contribute to improved access to services. The overall implementation is based on a sequential approach to each of the identified blocks of service which means that the level of risk for any specific service area is relatively minor.</p> <p>The key areas of risk are linked to the efficacy of the chosen solution and the level of investment required to realise them.</p>	<p>Individual services are being subject to business process review which is identifying efficiency savings and improvements.</p> <p>The service expects to realise these benefits as each service is transferred.</p>
Revenues and Benefits	<p>There is a clear identification of service continuity risks with contingency arrangements in place.</p>	<p>Strong links with the framework for assessment of benefits has led to a continuous service improvement culture.</p> <p>Development of this approach will be required in other areas of the service.</p>

Source: Audit Commission

Recommendations
R3 Develop key officers awareness and contribution to the overall change programme through target setting and performance management arrangements.
R4 Review the role of executive sponsor in light of the guidance on senior responsible owners provided as an appendix to the report.
R5 Introduce a quality framework within the Bury project management methodology to provide assurance that risks are being managed effectively and that realistic benefits are being identified and achieved.
R6 Review whether the development of improved financial management justifies a further change programme to follow the implementation of the new system.

Support

The council have improved their infrastructure through investment in a network to support improved data and voice communication. Whilst there have been some initial teething problems this provides a solid base to build improvements through the implementation of the corporate applications.

There is a lack of an effective baseline for ICT and related skills to support the new applications. Whilst general provision is available to develop ICT skills the council have not yet identified the necessary competences required across the organisation.

We have provided the council with the nationally recognised information security framework, BS7799 and an internal audit review of their compliance with the standard is being planned for the current financial year.

There is an information sharing protocol in place but further work will be required to enable this to be applied within the context of partnership working in Bury. There may be useful material to support this development within the ODPM National Projects – particularly those concerned with working in a multi-agency environment (FAME) and reducing youth offending (RYOGENS).

Recommendations

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|----|--|
| R7 | Develop a baseline of ICT skills within the council and, through the business process re-engineering processes and other appropriate mechanisms, identify the competencies requirements, thus enabling the development of a gap analysis and investment programme to address any shortcomings. |
| R8 | Complete the internal audit of information security arrangements and develop a prioritised improvement plan to ensure that these provide adequate protection for the council. |
| R2 | Work more effectively to learn from and contribute to sub-regional and regional e-government partnerships. |

Next steps

The attached action plan identifies the improvement areas identified during the review. Key areas for attention are:

- reviewing the impact of investment in improved customer access from a service user perspective with a particular focus on inclusion issues
- developing key officers awareness and contribution to the overall change programme through target setting and performance management arrangements.
- introducing a quality framework within the Bury project management methodology to provide assurance that risks are being managed effectively and that realistic benefits are being identified and achieved.

Status of our reports to the Council

Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to Members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.

The Senior Responsible Owner (SRO) is the individual responsible for ensuring that a project or programme meets its objectives and delivers the projected benefits. They should be the owner of the overall business change that is being supported by the project. The SRO should ensure that the project or programme maintains its business focus, has clear authority and that the context, including risks, is actively managed. The individual should be recognised as the owner throughout the organisation.

An SRO will ...

- start up a project
- control and execute the project
- close the project

... to do this they will need to ...

- take responsibility - including putting things right when they go wrong, and ensuring recognition is given when they go right
- have a good understanding of the business issues associated with the project
- be a senior reputable figure approved by the Department/Agency Management Board, or their delegated authority to be the SRO for a project or programme
- be active, not a figurehead
- have sufficient experience and training to carry out SRO responsibilities.

... and will be able to.

- broker relationships with stakeholders within and outside the project
- deploy delegated authority to ensure that the project achieves its objectives
- provide advice and guidance to the project manager(s) as necessary
- acknowledge their own skill/knowledge gaps and structure the project board and project management team accordingly
- give the time required to perform the role effectively
- negotiate well and influence people
- be aware of the broader perspective and how it impacts on the project
- network effectively
- be honest and frank about project progress.

An individual's responsibilities as an SRO should be explicitly included in their personal objectives. The SRO for a project or programme should remain in place throughout or change only when a distinct phase of benefit delivery has been completed.

The following sections provide checklists for distinct phases of the elements of a project:

- project initiation
- project control and execution
- project close.

Project initiation checklist		
Issue	Status	Comments
<i>To oversee the development of the project brief and business case.</i>		
Are you confident that you are the right person to be the SRO for this project?		<i>Do you understand of the role? Do you have the authority, capacity and competence to fulfil this role?</i>
Have you critically and constructively reviewed the proposals? Are they particularly novel or complex in terms of process or technology?		<i>Use a tool to assess the complexity of a project on factors such as cost, people involved or complexity.</i>
Have you identified and listed the primary and secondary stakeholders associated with the project?		
Does the project fit well with departmental and corporate initiatives, frameworks and architectures?		<i>Use a corporate process for evaluating outline proposals.</i>
Does the project fit well within the existing programme?		
Does the brief adequately describe the project from a business perspective?		
Have you tested the underlying assumptions within the project brief and business case?		
Can people not familiar with the project understand the project brief and business case?		
Is it clear where benefits should accrue and how from the proposed change? How will they be measured?		
Does the business case reflect the full cost of the project including associated business change costs? Are the funding estimates robust? What are the margins for error and assumptions made? How will funding be tracked?		
Does the project have an agreed set of performance measures during the life of the project, and at its conclusion?		
Have you arranged to present the project brief and business case to the stakeholder Management Board(s)?		
Has the project gone through the formal approval process? Has approval been gained to go on to the next stage?		
To ensure that there is a coherent project organisation structure and appropriate plans		
Is a skilled and experienced project manager in place and is their reporting line to the project board properly defined?		
Is the Project Initiation Document fit for purpose, concise and readable?		
Have you put in place appropriate, formal, structured project management arrangements? Is there an appropriate reporting structure with accountabilities?		
Will you chair all project board meetings?		

Project initiation checklist		
Issue	Status	Comments
Have your terms of reference in relation to the project been understood and agreed by all on the project and stakeholders (business and users)?		
Does the project plan have a direct relationship with the original project brief and business case, and with the overall strategy of the organisation?		
Are you confident that the project plans are logical, coherent and achievable? Are plans for different aspects of a business change (e.g. IT, personnel, accommodation) fully compatible?		
Will the project be taken forward by use of a modular / incremental approach? If not, why not?		
Have you agreed with the project board the frequency, format, style and content of required project monitoring reports?		
Have you agreed with the project board members what constitutes "approval to proceed to the next stage"?		
Have you dealt with project communication issues – assigned responsibilities to people who can get the message across – tested whether messages are being communicated		
Have project stakeholders been identified? Are there mechanisms for consulting them? Where the project cuts across organisational boundaries (i.e. "cross-cutting"), have partners been signed up?		
Have you agreed and set tolerance levels covering time, cost and functionality with the project board?		
Have you asked all stakeholders what they perceive are the project risks?		
Have you assigned risk management responsibilities to the project board and project team?		
Do you have mechanisms to ensure regular, accurate reporting of risk, e.g. exception tools?		
Are the project assurance processes and reporting procedures rigorous and robust?		
Is the project funding still adequate?		
Do you need to review the membership of the project board? Is the project board able to make decisions or is it just a discussion forum? Have you checked that board members have received training for their role on the board?		
<i>(where applicable)</i> Have you assured yourself that the plans produced by the suppliers are robust (in terms of timescale, cost, and technology)?		
Are you satisfied that the suppliers understand your requirements adequately? Is this documented and agreed?		

Project control and execution checklist		
Issue	Status	Comments
<i>To monitor and control the progress of the project at a strategic level.</i>		
How is the broader environment impacting upon the project's objectives / delivery or being impacted by your initiative? Have the business priorities changed?		
Have new policies, procedures or technological innovation eroded the project's capacity to deliver projected benefits?		
Is the business case being kept up to date to reflect these developments? If changes invalidate original cost / benefit analysis, have you cancelled the project?		
Does the project board spend enough time looking ahead - rather than looking back?		
Is the Project Plan maintained and does it accurately reflect the project? Are any changes to the Plan are within tolerance levels? If not, have exception processes been used? What corrective action needs to be taken?		
Is there sufficient evidence to assure the project board that the agreed project deliverables have been completed and that they meet stakeholders' expectations?		
Is information communicated to those (stakeholders) who need to know - both within and outside the project?		
Is there sufficient evidence to provide the project board with assurance of budget compliance?		
Has due care, attention and consideration been given to internal and external project dependencies?		
What are the consequences of missed milestones or other projects not delivering on time?		
Are areas renegeing on their resource commitments and hampering progress within your project?		
Is the project working within a co-operative environment?		
Are change control mechanisms in place?		
Has the project team completed the specified tasks and met the milestones within the agreed time?		
What problems are the project team facing? Is the right project team structure in place?		
How are resources being used in relation to the budget? Are there enough resources? Are they the right resources?		
Are team members motivated and working efficiently and effectively? Are new and different skills required?		
Are suppliers delivering in accordance with their plans?		
Are you still the most appropriate person to continue to remain the senior responsible official for the project?		

Project close checklist		
Issue	Status	Comments
<i>to formally close the project and ensure that the lessons learned from the project are documented within the end of project evaluation report; to ensure that benefits projected are being realised.</i>		
Has the project completed what it set out to do? Is it delivering the projected benefits? Have you carried out a formal review?		
Have you asked the project manager to draw-up a checklist of open issues, which should be handed over to the appropriate line management within the organisation?		
How satisfied is the customer?		
Are adequate ongoing maintenance and support arrangements in place?		
What is the agreed plan for the re-integration of team members back into the organisation?		
Have you evaluated the project? Does this need to be an independent project evaluation?		
Who will benefit from the lessons learned?		
Have you agreed a process for ensuring that the project evaluation exercise will not be "academic" and will change the organisation's management and implementation of projects?		
To carry out a post implementation review		
Have you commissioned a post-implementation review (PIR)?		
Have you agreed the scope and approach to be employed in carrying out the PIR? (This should involve the operational unit which has assumed responsibility for the project deliverables/realisation of benefits)		
Is the PIR team adequately resourced?		
What can you do to ensure that the recommendations of the PIR will be implemented?		
Are you sure that you have made a clear distinction between the PIR and the final project evaluation report? (The former focuses on the mechanics of the project and lessons learned for the future. The latter focuses on the project's delivery of business benefits.)		