



# ICT Audit 2012 response to recommendations

June 2013

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## Introduction

In 2012, an audit of ICT within the Queensland Government was undertaken by the Queensland Government Chief Information Office which aimed to identify the condition and performance of the current state government ICT portfolio.

During a six-month period, the audit reviewed five key ICT management areas:

- strategy and governance
- ICT-based initiatives
- procurement
- assets and services
- service delivery models.

Government owned corporations, statutory authorities and Queensland Government bodies were excluded from the ICT audit, as was the health payroll system which was already under separate review.

This is the first time an ICT audit of this size and scale has occurred in Queensland and it has provided the Queensland Government with valuable information. We now have a strong baseline to move forward.

The ICT Audit was a snapshot in time and the key findings and recommendations of the ICT audit are outlined below, together with the government's response to the recommendations.

These findings align with some of the outcomes handed down in the recent Queensland Commission of Audit which were released during April 2013.

The accepted recommendations of both the Queensland Commission of Audit and the ICT audit provide a strong basis for reform. Now we're moving forward to change the way ICT is delivered in the Queensland Government and this direction will be reflected in the Queensland Government's strategy for ICT.

The Queensland Government is currently developing this strategy for the future use of ICT in the Queensland Government so that its investment in ICT is maximised, and service delivery for Queenslanders can be enhanced.

The strategy will focus on a new, modern approach to ICT. All decisions will be made in a responsible and transparent way and we'll adopt a new way of procuring and managing ICT so information is better shared across agencies and with Queenslanders; processes are streamlined and services are improved.

The Newman Government is committed to major ICT reforms that will revitalise the sector. The strategy will show that we're engaging with industry and listening to the experts in the sector. Together, we're shaping a decisive roadmap for ICT in Queensland.

### **The Honourable Ian Walker MP**

Minister for Science, Information Technology, Innovation and the Arts

## Savings and waste

No.	Recommendation	Response
1	<p>Establish and run a program to deliver the unrealised short-term savings opportunities (up to \$39m p.a.) identified:</p> <ul style="list-style-type: none"> <li>■ cancellation of mobile and fixed telephone services no longer required (up to \$9m)</li> <li>■ optimisation of mobile data plans (up to \$4m)</li> <li>■ efficiencies in the use of printers (up to \$3m)</li> <li>■ consolidation of telecommunications accounts (up to \$2m).</li> </ul>	<p><b>Accepted</b></p> <p>Agencies have been alerted to potential savings and have been implementing changes to realise efficiencies. The Department of Science, Information Technology, Innovation and the Arts is finalising a portfolio office to run the program.</p>
2	<p>Assign owners for the delivery of unrealised medium and long-term savings opportunities (up to \$159m p.a.) and to oversight the planning for, and harvesting of, savings including, but not limited to:</p> <ul style="list-style-type: none"> <li>■ shifting services to internet delivery channels (up to \$20m)</li> <li>■ migrating to cloud-based email (up to \$17m)</li> <li>■ decommissioning of systems no longer required (up to \$10m)</li> <li>■ exiting arrangements for the use of the Travel Management System (up to \$9m).</li> </ul>	<p><b>Accepted</b></p> <p>The shift to internet-delivery channels is being considered as part of the government's commitment to a one-stop shop for service delivery.</p> <p>The cloud email and decommissioning opportunities are being actioned as part of the implementation plan for the ICT strategy.</p> <p>The government has accepted the recommendation to discontinue the Travel Management System in its response to recommendation 154 of the Commission of Audit.</p>

## Critical business systems

No.	Recommendation	Response
3	<p>Establish and run projects to perform minimal necessary upgrades on essential business systems and technologies for which time remaining to upgrade or replace is now critical.</p>	<p><b>Accepted</b></p> <p>The recommendation is being actioned by agencies.</p>
4	<p>Conduct a review of government services across every agency to identify services that must continue to be delivered; and services that can be discontinued or scaled back.</p> <p>Identify options for improving service delivery and the business of government.</p>	<p><b>Partially accepted</b></p> <p>This recommendation has been superseded and is being delivered through the Public Sector renewal process, the recommendations of the Commission of Audit and government's response to it, and the review of agencies through the zero-based budgeting process.</p>
5	<p>In conjunction with the review of business services across government, determine the ICT solution options to underpin those business services required to be delivered by government.</p>	<p><b>Accepted</b></p> <p>The recommendation is to be undertaken in conjunction with recommendation four.</p>
6	<p>In conjunction with the review of services and supporting ICT solutions, perform financial modelling to understand the funding requirements for alternate delivery approaches identified.</p>	<p><b>Accepted</b></p> <p>The recommendation is to be undertaken in conjunction with recommendation four.</p>



## Critical business systems cont'd

No.	Recommendation	Response
7	Prioritise the implementation of service and ICT reform programs taking into account business priority, risk, dependencies, capacity to fund and capacity to deliver.	<b>Accepted</b> Each agency's ICT portfolio priorities are determined by each agency as part of their ICT planning process.
8	Prepare a Cabinet Budget Review Committee submission for funding of the resultant program for business transformation and ICT systems.	<b>Accepted in principle</b> Each agency's director-general will be accountable for assessing and funding their agencies' ICT portfolio priorities which may include Cabinet Budget Review Committee submissions.
9	Establish and run the resultant business transformation and associated ICT programs.	<b>Accepted</b> This recommendation is being undertaken by each agency on a case-by-case basis.

## High-risk systems

No.	Recommendation	Response
10	Initiate and maintain a program of rigorous application of business continuity planning for all business critical systems.  The programs must include all parts of the service-provider chain, documented in service level agreements and contracts, and must be regularly tested.	<b>Accepted</b> The recommendation is being actioned by agencies.

## High-risk initiatives

No.	Recommendation	Response
11	Ensure high-risk, ICT-enabled projects engage project management personnel of the highest calibre, including the replacement of less capable personnel for projects that have become high risk during their execution.	<b>Accepted</b> The recommendation is being actioned by agencies.
12	Mandate the rigorous application of the Queensland Government Project and Program Assurance Methodology for all ICT-enabled initiatives.	<b>Accepted</b> The recommendation is being actioned as part of the implementation plan for the ICT strategy.
13	Obtain independent project assurance for all high-risk ICT-enabled initiatives. Assurance reports for all high-risk initiatives to be endorsed by the Queensland Government Chief Information Office and submitted to the CEO Leadership Team for approval before projects proceed beyond predetermined gates. Monthly summaries of approvals and risk profiles to be provided to the Premier.	<b>Accepted</b> Independent project assurance for all high-risk systems, assurance reporting on high-risk initiatives, and industry-standard gating will be implemented as part of the management framework to be formalised as part of the implementation plan for the ICT strategy.
14	Establish and operate a reporting regime to provide visibility and transparency of all initiatives with a total expenditure over \$1m.	<b>Accepted</b> The recommendation is being actioned by the Department of Science, Information Technology, Innovation and the Arts as part of the implementation plan for the ICT strategy.

## Commodity applications

No.	Recommendation	Response
15	Appoint a CEO-level service executive for commodity applications with responsibility and authority to drive the forward agenda across government. The service executive for commodity applications will be responsible for the delivery of outcomes in the transition of government to derive maximum value from its approach and investment in commodity applications.	<p><b>Noted</b></p> <p>The recommendation is superseded by the Commission of Audit recommendations 147 through 150 regarding the transition to ICT-as-a-service models of operation for all agencies.</p> <p>The Department of Science, Information Technology, Innovation and the Arts accepts accountability for coordinating the implementation of these recommendations in a centre-led approach and no additional role is required.</p>
16	Establish technical roadmaps for applications in each of the commodity domains that include implementation patterns, and product and sourcing preferences. Limit tightly-coupled integration of applications.	<p><b>Accepted in principle</b></p> <p>The recommendation supports the Commission of Audit recommendations regarding ICT including the divestment of systems and ICT assets, and transition to commissioning ICT-as-a-service.</p> <p>The Department of Science, Information Technology, Innovation and the Arts will take responsibility for a centre-led approach with agencies developing and implementing transition plans to implement the Commission of Audit recommendations.</p> <p>This is being actioned as part of the implementation plan for the ICT strategy.</p>
17	Establish mandates to constrain agency sourcing activity in commodity application domains including constraining the platforms on which they may be deployed.	<p><b>Accepted in principle</b></p> <p>The recommendation supports the Commission of Audit recommendations regarding ICT including the divestment of systems and ICT assets, and transition to commissioning ICT-as-a-service.</p> <p>The Department of Science, Information Technology, Innovation and the Arts will take responsibility as the category lead for ICT procurement in a centre-led approach with agencies developing and implementing transition plans to implement the Commission of Audit recommendations.</p> <p>This is being actioned as part of the implementation plan for the ICT strategy.</p>
18	When implementing commodity applications, agencies must change business processes to meet the default processes inherent in the packaged software. Never modify commercially-provided commodity applications to meet unique business requirements.	<p><b>Accepted</b></p> <p>Program and project gating arrangements will be modified to ensure these principles are considered as part of the decision-making framework.</p>

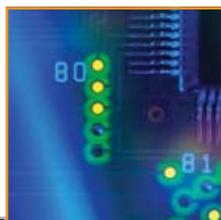


## Payroll systems

No.	Recommendation	Response
19	<p>Conduct basic technical upgrades for high-risk payroll systems in accordance with recommendations on critical business systems with the exception of the Department of Community Safety Lattice-based payroll system.</p> <p>Consider using external organisations to perform some of the technical upgrades to reduce risk.</p>	<p><b>Accepted</b></p> <p>Recommendations from the Commission of Audit regarding the delivery of corporate services, and the transition to ICT-as-a-service, have been accepted by the government.</p> <p>Implementation planning is being undertaken to determine the most appropriate approach and timing for addressing immediate risks, transitioning to ICT-as-a-service, and to consider alternate delivery models for payroll and financial services.</p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p> <p>The Department of Community Safety has advised that significant progress has been made in mitigating the risks associated with the Department of Community Safety payroll, including the recent commissioning of enhanced disaster-recovery systems; and improved business-continuity processes as an interim measure until the system is replaced by a managed service.</p>
20	<p>As an immediate priority, examine external provision of payroll systems and services for the replacement of current government-hosted payroll systems. Test the market for provision of payroll as an externally-managed service through the conduct of a pilot for a lower complexity business group within the Department of Community Safety (i.e. employees covered under the core Enterprise Bargaining Agreement).</p>	<p><b>Accepted</b></p> <p>Recommendations from the Commission of Audit regarding the delivery of corporate services and transition to ICT-as-a-service have been accepted by the government.</p> <p>Implementation planning is being undertaken to determine the most appropriate approach and timing for addressing immediate risks, transitioning to ICT-as-a-service, and to consider alternate delivery models for payroll and financial services.</p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p>
21	<p>When implementing or sourcing payroll solutions, agencies must seek to remove complexity from awards and where possible remove regulatory and legislative barriers to the use of standard unmodified payroll products.</p>	<p><b>Accepted</b></p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p>
22	<p>Conduct analysis and preparation for implementation of a payroll-managed service for the remainder of the Department of Community Safety. Consider opportunities to simplify awards and eliminate complexity as part of the preparation activities.</p>	<p><b>Accepted</b></p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p>
23	<p>Develop a business case for the transition of all government payroll systems to externally-managed services subject to evaluation of pilots.</p>	<p><b>Accepted</b></p> <p>Recommendations from the Commission of Audit regarding the delivery of corporate services and the transition to ICT-as-a-service have been accepted by the government.</p> <p>Implementation planning is being undertaken to transition to ICT-as-a-service and consider alternate delivery models for payroll and financial services.</p> <p>This recommendation will be considered in light of the Commission of Audit recommendations.</p>

## Finance systems

No.	Recommendation	Response
24	Conduct basic technical upgrades for high-risk finance systems in accordance with recommendations on critical business systems. Consider using external organisations to perform some of the technical upgrades to reduce risk.	<p><b>Accepted</b></p> <p>Recommendations from the Commission of Audit regarding the delivery of corporate services and transition to ICT-as-a-service have been accepted by the government.</p> <p>Implementation planning is being undertaken to determine the most appropriate approach and timing in addressing immediate risks, transitioning to ICT-as-a-service, and considering alternate delivery models for payroll and financial services.</p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p>
25	Test the market for provision of finance as an externally provisioned managed service through the conduct of a pilot for a selected government agency or part thereof.	<p><b>Accepted</b></p> <p>Recommendations from the Commission of Audit regarding the delivery of corporate services and transition to ICT-as-a-service have been accepted by the government.</p> <p>Implementation planning is being undertaken to determine the most appropriate approach and timing in addressing immediate risks, transitioning to ICT-as-a-service, and considering alternate delivery models for payroll and financial services.</p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p>
26	Conduct additional analysis on the Queensland Health finance system replacement initiative to determine the impact of and opportunities from government adopting an externally-sourced managed services approach to finance systems.	<p><b>Accepted</b></p> <p>Recommendations from the Commission of Audit regarding the delivery of corporate services and transition to ICT-as-a-service have been accepted by the government.</p> <p>Implementation planning is being undertaken to determine the most appropriate approach and timing in addressing immediate risks, transitioning to ICT-as-a-service, and considering alternate delivery models for payroll and financial services.</p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p>
27	Develop a business case for the transition of all government finance systems to externally-managed services, subject to evaluation of pilots.	<p><b>Accepted</b></p> <p>Recommendations from the Commission of Audit regarding the delivery of corporate services and transition to ICT-as-a-service have been accepted by the government.</p> <p>Implementation planning is being undertaken to determine the most appropriate approach and timing in addressing immediate risks, transitioning to ICT-as-a-service, and considering alternate delivery models for payroll and financial services.</p> <p>The recommendation will be considered in light of the Commission of Audit recommendations.</p>



## Queensland Shared Services

No.	Recommendation	Response
28	Conduct internal preparations for transition of all Queensland Shared Services provided services to external service provision.	<b>Not accepted</b> This recommendation has been superseded by the acceptance of recommendations from the Commission of Audit regarding the role of Queensland Shared Services. The Department of Science, Information Technology, Innovation and the Arts has commenced implementation of contestability arrangements for Queensland Shared Services.
29	Conduct market engagement to refine models and options for externally-sourced services for payroll and finance systems, and associated transaction-processing services. This will include consideration of the results of pilot activities in the external service provision for payroll and finance.	<b>Noted</b> The recommendation will be considered as part of the implementation of contestability arrangements in recommendation 28. The recommendation will be considered in light of the Commission of Audit recommendations.
30	Prepare request documents for release to the market for the provision of payroll and finance systems and the associated transaction processing services as an externally-provided managed service.	<b>Noted</b> The recommendation will be considered as part of the implementation of contestability arrangements in recommendation 28. The recommendation will be considered in light of the Commission of Audit recommendations.
31	Execute request to market and manage the transition to the successful providers.	<b>Noted</b> The recommendation will be considered as part of the implementation of contestability arrangements in recommendation 28. The recommendation will be considered in light of the Commission of Audit recommendations.

## Commodity infrastructure

No.	Recommendation	Response
32	Appoint a CEO-level service executive for commodity infrastructure with responsibility and authority to drive the forward agenda across government. The service executive for commodity infrastructure will be responsible for the delivery of outcomes in the transition of government to derive maximum value from its approach and investment in commodity infrastructure.	<b>Noted</b> The recommendation is superseded by the Commission of Audit recommendations 147 through 150 regarding the transition to ICT-as-a-service models of operation for all agencies. The Department of Science, Information Technology, Innovation and the Arts accepts accountability for coordinating the implementation of these recommendations in a centre-led approach and no additional role is required.
33	Prepare request documents for release to the market for the provision of cloud-based email services in line with the cloud email strategy.	<b>Accepted</b> The recommendation is being actioned as part of the implementation plan for the ICT strategy.
34	Execute request to market (for provision of cloud-based email services) and validate responses with pilot implementations.	<b>Accepted</b> The recommendation is being actioned as part of the implementation plan for the ICT strategy.

## Commodity infrastructure cont'd

No.	Recommendation	Response
35	Subject to the success of the market engagement and pilots, manage the transition of all agencies to cloud-based email services.	<p><b>Accepted</b></p> <p>The recommendation supports the Commission of Audit recommendations regarding ICT including the divestment of systems and ICT assets, and transition to commissioning ICT-as-a-service.</p> <p>The Department of Science, Information Technology, Innovation and the Arts will take responsibility as the category lead for ICT procurement in a centre-led approach with agencies developing and implementing transition plans.</p> <p>This is being actioned as part of the implementation plan for the ICT strategy.</p>
36	Undertake further analysis of the opportunities to provision desktop services to government through an externally-managed desktop arrangement, including market engagement to understand the nature of current market capability. This analysis must include consideration of enablement of bring-your-own-device opportunities.	<p><b>Accepted</b></p> <p>The recommendation is being actioned as part of the implementation plan for the ICT strategy.</p>
37	Subject to the analysis, develop a business case for the establishment of an externally managed desktop arrangement. Seek <i>go-no-go</i> decision from Cabinet Budget Review Committee.	<p><b>Accepted</b></p> <p>The recommendation is being actioned as part of the implementation plan for the ICT strategy.</p>
38	Undertake market engagement activities to establish a trusted cloud provider for the Queensland Government.	<p><b>Accepted in principle</b></p> <p>This recommendation will be considered as part of the implementation planning for the ICT strategic procurement plan to support the transition from ownership of ICT assets to commissioning ICT-as-a-service.</p>
39	Undertake market engagement activities to establish a panel of providers of cloud infrastructure services for agency consumption.	<p><b>Accepted in principle</b></p> <p>See recommendation 38.</p>
40	Undertake market engagement to determine the options for transition to a single-government data network for all agencies. Include consideration of an externally-provided fixed-price unlimited-consumption model.	<p><b>Accepted</b></p> <p>The recommendation is being actioned as part of the implementation plan for the ICT strategy.</p>
41	Develop a business case for transition to a single government data network for Cabinet Budget Review Committee consideration.	<p><b>Accepted</b></p> <p>The recommendation is being actioned as part of the implementation plan for the ICT strategy.</p>
42	Subject to the successful engagement of providers for trusted cloud and associated infrastructure services; establish a program to actively transition suitable agency workloads onto cloud-based infrastructure.	<p><b>Accepted</b></p> <p>The recommendation supports the Commission of Audit recommendations regarding ICT including the divestment of systems and ICT assets and transition to commissioning ICT-as-a-service.</p> <p>The Department of Science, Information Technology, Innovation and the Arts will take responsibility as the category lead for ICT procurement in a centre-led approach with agencies developing and implementing transition plans to implement the Commission of Audit recommendations.</p> <p>This is being actioned as part of the implementation plan for the ICT strategy.</p>



## Commodity infrastructure cont'd

No.	Recommendation	Response
43	Undertake market engagement to determine options for providing services to deliver operational management and support for legacy ICT systems in government data centres.	<b>Accepted</b> The recommendation is being actioned as part of the implementation plan for the ICT strategy.
44	Develop a business case for the transition of legacy ICT systems to externally-managed and supported arrangements, and seek Cabinet Budget Review Committee consideration.	<b>Accepted in principle</b> The recommendation will be dependent on the outcome of recommendation 43 and the preferred approach to migration or management of legacy systems.

## CITEC

No.	Recommendation	Response
45	Disconnect the entire <i>Confirm</i> business and operations from CITEC. Commence an activity to determine the long-term future for <i>Confirm</i> .	<b>Noted</b> The recommendation will be considered in the implementation planning for CITEC. The Commission of Audit recommendation regarding the divestment of CITEC within two years was accepted by government pending further policy analysis and implementation planning. This recommendation will be considered during the assessment of future options and the preferred approach for the current CITEC services.
46	Undertake analysis to determine options for delivery of Council of Australian Governments' regulatory reform services (Access Gateway) without <i>Confirm</i> transactions supporting the cost of the infrastructure.	<b>Noted</b> See recommendation 45.
47	CITEC to exit all remaining commercial arrangements.	<b>Noted</b> See recommendation 45.
48	Prepare remainder of CITEC for inclusion in market bid for transition to a Queensland Government trusted cloud provider.	<b>Noted</b> See recommendation 45.

## Smart Service Queensland

No.	Recommendation	Response
49	Smart Service Queensland no longer maintain their own ICT capability, instead transitioning ICT service provision to one of sourcing and managing ICT services provided outside Smart Service Queensland. Smart Service Queensland focus on provisioning of service delivery to the public.	<b>Accepted</b> The Commission of Audit recommendation regarding adoption of ICT-as-a-service was accepted by government. The Department of Science, Information Technology, Innovation and the Arts will undertake transition planning to comply with this recommendation.
50	Service delivery policy and direction be relocated to a central government agency with responsibility for setting and driving service delivery outcomes for government.	<b>Noted</b> The recommendation will be considered in the development of the management framework for Smart Service Queensland and a one-stop shop for government services.
51	Analysis be conducted to determine the viability of moving away from a fee-for-service model for Smart Service Queensland to an appropriation-based model. The model should include some specific performance criteria to drive cost-effective service delivery through efficient service delivery and demand management.	<b>Noted</b> The recommendation will be considered as part of the determination of funding models for delivery of a one-stop shop.

## Governance and leadership

No.	Recommendation	Response
52	Replace fee-for-service funding models for the central provision of back office and infrastructure services with appropriation funding. To ensure value for money, conduct and publish externally-validated benchmarks for cost and value.	<b>Accepted in principle</b> Decisions regarding funding of back-office and infrastructure services will be determined by government on a case-by-case basis.
53	Agencies to be given greater financial flexibility to transfer existing capital funds to operational, in situations where it aligns with the cost-effective provision of ICT services.	<b>Accepted</b> The transfer of funds from capital to operating is to be determined on a case-by-case basis as initiatives, in particular agency transition plans to commissioning ICT-as-a-service, are brought forward for consideration by government.
54	Agencies involve their chief information officer in their executive management team to contribute and guide decision making around the strategic application of ICT for business outcomes.	<b>Accepted in principle</b> Agencies are encouraged to consider the recommendation in order to facilitate transition to ICT-as-a-service; and to ensure that ICT investments are business outcome focused.
55	Agencies undertake workforce planning for their ICT workforce to transition their capabilities to align with the requirements to manage and sustain their ICT, where commodity ICT is sourced through managed-service arrangements.	<b>Accepted</b> The recommendation is being actioned as part of the implementation plan for the ICT strategy.
56	Security governance – implement findings from the Deloitte report including centralising the security function.	<b>Accepted in principle</b> The Deloitte report recommendations will be addressed in conjunction with the ICT strategy and management framework.
57	Revise the funding model for projects to focus on gated funding, as opposed to lump sum funding, at project commencement.	<b>Accepted</b> Industry standard gating will be implemented as part of the management framework to be formalised as part of the implementation plan for the ICT strategy.

## Maintaining momentum

No.	Recommendation	Response
58	Establish a program of ongoing reporting against key ICT management areas. Ensure the Queensland Government Chief Information Office and agencies are well funded and resourced to continue this work.	<b>Accepted</b> The Department of Science, Information Technology, Innovation and the Arts is finalising a portfolio office to run the program. Decisions on funding will be considered within the normal budgetary processes.
59	Make the necessary changes to legislation, to allow the Queensland Government Chief Information Office to perform ICT audits of the remaining areas of government including government-owned corporations.	<b>Not accepted</b> No further ICT audits are planned at this stage. Future ICT audits may be undertaken subject to government approval processes.
60	Ensure implementation of approved audit recommendations are appropriately funded and prioritised.	<b>Accepted in principle</b> The recommendation will be considered as part of the implementation planning for the ICT strategy. This will be led by the Department of Science, Information Technology, Innovation and the Arts and will consider prioritisation and resourcing.