

QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY

Statement of Witness

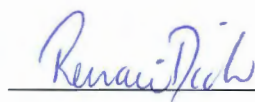
<i>Name of Witness</i>	Raymond Jeff Brown
<i>Date of Birth</i>	Known to the Commission
<i>Address and contact details</i>	C/- Minter Ellison Lawyers, 1 Eagle Street, Brisbane
<i>Occupation</i>	Chief Information Officer, Health Services Information Agency, Department of Health
<i>Officer taking statement</i>	
<i>Date taken</i>	12 APRIL 2013

I, **RAYMOND JEFF BROWN**, care of Minter Ellison Lawyers, 1 Eagle Street, Brisbane in the State of Queensland state:

1. I am the Chief Information Officer (**CIO**), Health Services Information Agency, Department of Health, previously known as the Queensland Health Information Division.
2. I commenced employment with Queensland Health on 2 June 2008 as the Executive Director, ICT Service Delivery. I was appointed the Acting CIO at the end of January 2009 and I was formally appointed to the position of CIO in August 2009.


Role of the CIO and Queensland Health Information Division

3. The role of the CIO is to manage the Queensland Health Information Division, information and communications technology (**ICT**) infrastructure, systems and operational support for Queensland Health. Queensland Health Information Division is responsible for the majority of software applications operated by Queensland Health, particularly the clinical systems.

Signature: Witness signature: 

4. Until recently, Queensland Health Information Division was not responsible for software applications used by Queensland Health Corporate Services. The Queensland Health Corporate Services systems fell within the responsibility of Queensland Health Enterprise Solutions Transition (QHEST). Payroll was one system that fell within the responsibility of QHEST.
5. The separation of Corporate Services ICT from Queensland Health Information Division was in place before I commenced working for Queensland Health.
6. The involvement of Queensland Health Information Division in relation to Payroll ICT within Corporate Services was limited to ensuring that staff who had a legitimate requirement to access Payroll and input data (including payroll data, rostering data and employee claim forms) could perform those activities from any Queensland Health computer via an icon on their computer screen.
7. This required the provisioning of computer hardware and ensuring that the Queensland Health network was able to connect users to the Payroll application residing on the CITEC network via the Citrix farm. CITEC is a whole of Government infrastructure provider comprising of the data centre for whole of Government infrastructure and systems. A Citrix farm is a bank of servers running software provided by Citrix to increase the efficiency of access to a software application.
8. Queensland Health Information Division also has a general responsibility to monitor utilisation of the Queensland Health network infrastructure and to identify any problems with the network. With the implementation of a new application, we ensure that there are sufficient staff to carefully monitor the network in case the application causes an unforeseen issue and compromises the network and access to other critical applications. In particular we are concerned to prevent any issues with the operation of clinical systems.

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Involvement in the Payroll system prior to the Go-Live date

9. I have reviewed the QHIC Project Board minutes and my calendar to identify those meetings of the Board that I attended. I believe that I attended nine of the 23 meetings of the QHIC Project Board from 19 October 2009 leading up to and including the meeting at which the Go Live decision was made on 14 March 2010. A list of the meetings and whether I attended is attached and marked "**RJB-1**".
10. I had no involvement in:
- (a) procurement of the Payroll application;
 - (b) negotiation or management of the contractual arrangements with IBM;
 - (c) user acceptance testing for the system;
 - (d) parallel testing of the system;
 - (e) training of staff to use the Payroll application; or
 - (f) reclassifying defects.

June 2008

11. I was copied into an email from Rob Oshlack on 26 June 2008 (24 days after I commenced with Queensland Health). The email states that the Queensland Health Information Division components as defined in the original Statement of Work have been delivered and that this *'clearly removes the Information Division off the QHIC/QHEST critical path in relation to the originally specified deliverables.'* I do not specifically recall receiving this email. A copy of the email dated 26 June 2008 is attached and marked "**RJB-2**".
12. I was aware that my staff were involved in establishing the Citrix environment to support the QHIC program and that they were working with QHIC to establish that

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Renai Doherty

environment. I would have been made aware of this through reporting from my operational staff about their activities.

13. Assisting QHEST with these types of requests and ensuring the Queensland Health network could connect users to Corporate Services ICT (i.e. CITEC), was a routine part of Queensland Health Information Division's role.
14. The email from Rob Oshlack indicates that Queensland Health Information Division commenced work on the request from QHIC to ensure connectivity to the Payroll application well before I joined Queensland Health on 2 June 2008.
15. I had no reason to believe that there were any issues with the infrastructure that Queensland Health Information Division was providing for the Payroll project because, as far as I can recall, no issues were escalated to me from QHEST/QHIC or staff in my division.

October 2009

16. To the best of my recollection, my first direct involvement with the new Payroll system occurred in October 2009.
17. I recall receiving a memorandum from Adrian Shea, Executive Director, Corporate Services concerning the proposed Go Live date for the new Payroll system. The memorandum was also sent to District Chief Executive Officers, District Finance Officers, District Human Resources Managers, Russ Wilde (Senior Director Corporate HR), Brigid Bourke (Chief Finance Officer), Tony Price (Director QHEST) and Janette Jones (Director Payroll and Establishment Services SSP). At that time the proposal was for a Go Live date of 16 December 2009. A copy of the memorandum dated 5 October 2009 is attached and marked "**RJB-3**".

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18. It is the practice of the Queensland Health Information Division to limit any changes to the production ICT environment between approximately 12 December and 12 January each year. We impose this moratorium on system changes to make sure that the clinical software systems are as stable as possible during the Christmas period when staff are on leave and support is limited.
19. I contacted Adrian Shea to express my opinion that a Go Live date during the moratorium period and so close to Christmas was not a good idea. I suggested that he rethink the Go Live date.
20. Adrian Shea then invited me to attend the QHIC Project Board meeting later in October 2009. A copy of the two emails advising me of the meeting details dated 12 and 19 October 2009 are attached and marked "**RJB-4**".
21. My understanding was that Adrian Shea invited me to that meeting so that the issues that I raised regarding the proposed December Go Live date could also be considered by the QHIC Project Board and so that I could advise the members about any other issues from my domain of responsibility, namely ensuring that the Queensland Health technical environment would enable staff throughout the State to access the Payroll application.
22. I attended my first meeting of the QHIC Project Board on 19 October 2009.
23. On 21 October 2009 I received an email from Tony Price (Director, QHEST) advising that he had delegated the remaining QHIC Project Board meetings to me for the remainder of 2009 and that the Board would be pleased to have me attend their meetings *'when your schedule allows you to do so'*. A copy of this email is attached and marked "**RJB-5**".

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24. In the email system 'delegate' means that copies of the email invitations sent to Tony Price were copied to my calendar. It does not mean that I attended meetings as Tony Price's nominee.
25. I understood that the QHIC Project Board was interested in my input concerning the Queensland Health Information Division's contribution to the Payroll project. The invitation to attend meetings when my schedule allowed was not interpreted by me as making me a member of the QHIC Project Board.

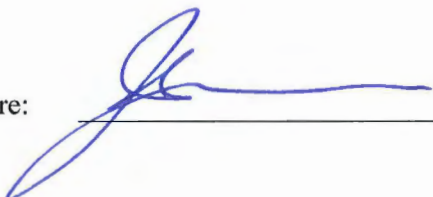
5 March 2010

26. On 5 March 2010, I was asked to sign a Brief for Decision recommending to the QHIC Project Board that it approve the business cutover activities.
27. The QHIC Project Directorate, being the body comprised of persons with direct knowledge of the operation of the Payroll system, advised the QHIC Project Board that the Management Plan sufficiently mitigated the risks to Go Live identified in the Brief for Decision.
28. In signing the Brief for Decision on 5 March 2010 I was certifying the area of my responsibility (ie ensuring that the Queensland Health technical environment would enable staff throughout the State to access the Payroll application) was ready to support business cutover activities.

12 March 2010

29. On 12 March 2010, I attended a QHIC Project Board meeting.
30. At that meeting 'QH Citrix Connectivity' had an amber status. Citrix connectivity had a performance issue and as the infrastructure was provided by Queensland Health Information Division it fell within the scope of my responsibility.

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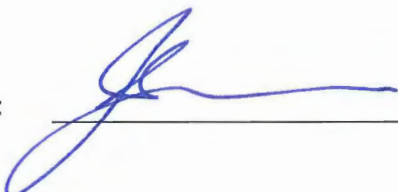


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31. The Citrix connectivity issue was discussed at the QHIC Project Board on 12 March 2010.
32. A performance issue was identified when Queensland Health Shared Services Staff started using the system in the lead up to the meeting on 12 March 2010. The Brief for Decision dated 11 March 2010 records that the issues were identified by staff on 10 March 2010. The performance issue was a slower than expected response time for users.
33. The issue was investigated by Queensland Health Information Division technical staff and it was identified that the issue was with the McAfee virus software on the Citrix servers. That information was discussed at the QHIC Project Board at the meeting on 12 March 2010.
34. While virus protection software is installed on Queensland Health firewalls to prevent virus attacks from outside the Queensland Health network, virus protection is also installed on peripherals and servers within the Queensland Health network to prevent the possibility of viruses spreading should they be introduced accidentally (for example from a DVD).
35. Given that there are other layers of protection for the Queensland Health network, removing virus protection from servers from time to time for short periods is not seen as a major risk.
36. Through discussions with my technical team, I formed the view that the risks of temporarily removing the virus protection software were low because the Citrix servers were located within the Queensland Health network.
37. The McAfee virus software was removed and further testing was conducted on Saturday, 13 March 2010.

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38. The performance testing conducted by Queensland Health Information Division was done to check whether the Citrix environment could support the number of users expected to access the Payroll application. The testing was undertaken in conjunction with the QHIC project team and involved throttling the environment to 50% capacity with the desired number of users active and monitoring response times.

14 March 2010

39. On Sunday, 14 March 2010 I participated in a teleconference at 7am. I understood that the meeting was for all relevant parties to confirm that they were ready to Go Live and that staff would be able to commence using the system later that day.
40. By the time of the meeting on 14 March 2010 testing demonstrated that the Citrix environment was performing as expected from a capacity perspective. That means that it would be able to support the projected number of users. Further testing was scheduled later on 14 March 2010.
41. The further testing on 14 March 2010 demonstrated that the performance issues identified to be caused by McAfee virus software had been resolved by removing that software.
42. I signed the Brief for Decision dated 14 March 2010 on 18 March 2010 reflecting the decision taken on the 14th.
43. In signing that document, my understanding was that I was certifying that the area of my responsibility (ie ensuring that the Queensland Health technical environment would enable staff throughout the State to access the Payroll application) was ready to proceed to Go Live. I was not certifying that the Payroll application itself was ready to proceed to Go Live because I had no visibility as to the details of that system and no responsibility for it.

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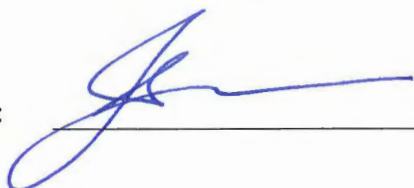


44. I understood that the other people signing off for Go Live were also confirming that their own area of responsibility was ready to proceed to Go Live.
45. At the time of signing the Go Live document I was aware that there were still some severity 2 defects but the QHIC Project Board was advised by Janette Jones (Head of Payroll) that workarounds had been identified and they were able to be achieved.
46. At no time was I asked for Queensland Health Information Division to become involved in the testing of the Payroll application itself, for quality assurance or in project management. I had no visibility of the actual Payroll application and my staff had no role in the development of the application. I had no capacity to assess the acceptability of the application other than by reference to the information provided to me in the course of attending the small number of QHIC Project Board meetings that I participated in.
47. Queensland Health Information Division subsequently implemented a fix for the McAfee virus software issue and the virus protection was reinstalled post Go Live.
48. To the best of my knowledge, there were no major issues with connectivity to the Payroll application following Go Live.

KJ Ross Report

49. On 19 February 2010 I received an email from Naomi du Plessis (ERP Lead, QHIC Project) which stated that it attached:
- (a) the KJ Ross Report; and
 - (b) the QH/CorpTech/IBM Management Response.
50. In fact the email from Ms du Plessis only attached the Management Response document. A copy of the email and attachment is attached and marked "RJB-6" .

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51. The email from Ms du Plessis indicates that the QHIC Project Board was to be asked to approve the QH/CorpTech/IBM Management Response at its next meeting.
52. I did not attend the QHIC Project Board meeting of 24 February 2010 as I was in Townsville.
53. I do not recall the KJ Ross Report being presented to any QHIC Project Board meeting that I attended. To the best of my recollection, I never received a copy of the KJ Ross Report.

QHIC Final Solution Risk Assessment Report

54. I received an email on 2 March 2010 from Heidi Coleman (Program Support Officer, QHEST) attaching a copy of the QHIC Final Solution Risk Assessment Report prepared by Terry Burns and Shaurin Shah. That email indicates that the report was circulated at a Queensland Health QHIC pre-Board meeting on 1 March 2010. A copy of the email dated 2 March 2010 and its attachment is attached and marked "RJB-7".
55. My view of the QHIC Final Solution Risk Assessment Report in March 2010 was that it identified some risks but that overall those risks appeared to be manageable through identified workarounds. There was nothing in the report that suggested that there were significant risks in proceeding. Ultimately the report did not recommend that the Payroll project not continue.

Declaration

This written statement by me dated 12 APRIL 2013 and contained in the pages numbered 1 to 10 is true and correct to the best of my knowledge and belief.

Signed at BRISBANE Signature this 12th day of APRIL 2013

Witnessed:

Name RENATIE DICKER Signature 12th day of APRIL 2013



**QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY**

Annexure(s) to Statement of Witness

Items to be annexed to the statement of Raymond Jeff Brown taken on *12 APRIL 2013*

Annexure	Document	Page No.
RJB-1	QHIC Board Meetings – Attendance by Ray Brown	1 -2
RJB-2	Email dated 26/06/2008 from Rob Oshlack regarding QHIC Project – ID Deliverables update	3
RJB-3	Memorandum dated 05/10/2009 from Adrian Shea regarding QHIC Project Update	4 – 5
RJB-4	Email dated 12/10/2009 from Heidi Morse regarding Extraordinary QHIC Board meeting and email dated 19/10/2009 from Anthony Price	6 – 7
RJB-5	Email dated 21/10/2009 from Anthony Price regarding QHIC Board meetings	8
RJB-6	Email dated 19/02/2010 from Naomi du Plessis regarding QHIC Project UAT Completion Report (report attached)	9 – 21
RJB-7	Email dated 02/03/2010 from Heidi Coleman regarding FINAL Solution Risk Assessment Report (report attached)	22 – 35

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'RJB-1'

QHIC BOARD MEETINGS – ATTENDANCE BY RAY BROWN

Date	Attended?
19 October 2009	Yes (first meeting).
23 October 2009	Yes.
28 October 2009	No.
5 November 2009	No.
11 November 2009	No.
20 November 2009	No.
25 November 2009	No.
3 December 2009	Yes.
4 December 2009	Yes.
10 December 2009	No.
21 December 2009	No.
23 December 2009	No.
13 January 2010	No.
22 January 2010	Yes.
27 January 2010	Yes.
29 January 2010	No.
1 February 2010	No.
10 February 2010	No.
12 February 2010	No.

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24 February 2010	No.
1 March 2010	Yes.
12 March 2010	Yes.
14 March 2010	Yes (teleconference).
19 March 2010	Yes.

Ray Brown - QHIC Project- ID Deliverables update

From: Rob Oshlack
To: Phil Lingard; Ray O'Donnell; Rowan Salt
Date: 26/06/2008 8:43 AM
Subject: QHIC Project- ID Deliverables update
CC: Ray Brown

Folks

As an update to the QHIC SAP Payroll and Workbrain project activities, all ID components as defined in the original Statement of Work have been delivered utilising a combination of Solutions and Operations stakeholders.

To surmise, there is now a full end to end Performance and Volume environment built in the ICT Testing Services Facility consisting of:

- A production like Active Directory (AD)
- A production like Citrix Farm (application layer and core services) over VM Ware
- Gigabit connectivity through to CorpTech and the IBM development environments
- A newly provisioned firewall capable of handling the traffic requirements
- An SLA agreement as prescribed by SIM2 for the upcoming production support
- Novell SAP printing infrastructure

This clearly removes the Information Division off the QHIC/QHEST critical path in relation to the originally specified deliverables.

Activity is still continuing in relation to the build of the UAT environment, due mid July and parallel implementations of the AD and Citrix infrastructure into Production.

Thanks,
Rob.

Rick/Catherine
FYT

URGENT



**Queensland
Government**

Queensland Health

MEMORANDUM

To: District Chief Executive Officers
Chief Information Officer *[Signature]*
District Finance Officers
District Human Resource Managers

Copies to: Russ Wilde, Senior Director Corporate HR
Brigid Bourke, Chief Finance Officer
Tony Price, Director QHEST
Janette Jones, Director Payroll and Establishment Services SSP

From: Adrian Shea
Executive Director Corporate Services

Contact 3234 1355
No:
Fax No: 3224 7870

Subject: QHIC Project Update

File Ref: *CRO02001-*

The QHIC Project which is introducing the new Payroll System for Queensland Health is approaching a critical stage in its implementation.

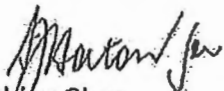
The User Acceptance testing stage of the project was due for completion on the 5/10/09, at which time the QHIC Board was due to make a decision to agree to move into the final stage of implementation. This final stage which involves technical and business transition to the new system is known as "cutover" and is a fixed block of time of 8 weeks duration.

The QHIC board met yesterday regarding this decision and it has been determined that the UAT testing will not conclude in time to meet 05/10/09 and cutover cannot begin as scheduled.

This means that the current target Go Live date of 2/12/09 can not be maintained.

The Board has extended the UAT period for 2 weeks and on the 19/10/09 will consider the decision to begin the cutover process. If the decision is taken to proceed, this would result in a target go live date of the 16/12/09.

The Board will be assessing all the risks and costs of proceeding with Go Live at this stage so close to Christmas and I will communicate the outcome after the decision is made.


Adrien Shea
Executive Director
Corporate Services
5/10/09

Ray Brown - Extraordinary QHIC Board meeting

From: Heidi Morse
To: Ray Brown
Date: 12/10/2009 1:55 PM
Subject: Extraordinary QHIC Board meeting

Good afternoon Ray,

Adrian Shea has asked me to invite you to the extraordinary QHIC Board meeting - scheduled for the end of UAT on Monday 19th October.

Unfortunately the only timeslot available to the majority of attendees is 10am (for 1hour). I note that you are busy for the whole day but I will send through the appointment in case your ESO can re-schedule some meetings around this one.

Thank you and kind regards
Heidi

Heidi Morse
Program Support Officer
QHEST
3234 0306

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Ray Brown - Extraordinary QHIC Board Meeting (end of UAT4)

From: Anthony Price
To: Adrian Shea; Anthony Price; bdoak@au1.ibm.com; Brigid Bourke; CSD_Secretariat; Heidi Morse; james.brown@corpotech.qld.gov.au; Janette Jones; john.gower@corpotech.qld.gov.au; margaret.berenyi@corpotech.qld.gov.au; Naomi du Plessis; philip.hood@corpotech.qld.gov.au; Pierre Pienaar; QHB 3-TR-3; Ray Brown; Russ Wilde; SDF_SDF; Sylvia Chapman; Terry Burns
Date: 19/10/2009
Time: 3:00 PM - 4:00 PM
Subject: Extraordinary QHIC Board Meeting (end of UAT4)
Place: QHB 3-TR-3

Please note - The extraordinary Board meeting that was scheduled for 10am on Monday 19/10 has been **MÓVED** to **3pm** (of the same day) to allow for more attendance.

Please ensure the original appointment of 10am has been deleted from all diaries.

Thank you
Heidi

My apologies - I am aware that this Board meeting has been scheduled to overlap with the Workstream Status Review, however it was the only timeslot available on the agreed meeting day (Monday 19th) which the majority of invitees could attend.

Venue:
Training Room 3
Level 3
Qld Health Building - 147-163 Charlotte Street

Kind regards
Heidi

Tony Price
Director QHEST
32341813

0007

Ray Brown - QHIC Board meetings

From: Anthony Price
To: Ray Brown
Date: 21/10/2009 3:38 PM
Subject: QHIC Board meetings
Attachments: QHIC Board times.doc

Good afternoon Ray,

I have delegated the remaining QHIC Board and Pre-Board meetings (which are QH & CorpTech only) to you for the remainder of this calendar year.

The QHIC Board would be pleased to have you attend these meetings when your schedule allows you to do so.

If you have any queries, please feel free to contact either myself (Heidi Morse on 3234 0306) or Tony Price directly.

Kind regards
Heidi

on behalf of
Tony Price

Tony Price
Director QHEST
32341813

0008

Ray Brown - QHIC Project UAT Completion Report

From: Naomi du Plessis
To: Adrian Shea; Anthony Price; Bill Doak; Bob McDonald; Brigid Bourke; Cesare Callioni; Emma Bailey; james.brown@corptech.qld.gov.au; jane.stewart@corptech.qld.gov.au; Janette Jones; Lyndel Jones; margaret.berenyi@corptech.qld.gov.au; mark.dymock@corptech.qld.gov.au; Michael Kallimnos; Paul Inns; philip.hood@corptech.qld.gov.au; Ray Brown; Sylvia Chapman; Terry Burns
Date: 19/02/2010 5:54 PM
Subject: QHIC Project UAT Completion Report
CC: Heidi Coleman; Michelle Marshman
Attachments: UAT Completion Report - Management response ver 1.0.doc

Hi all

Please find attached the UAT Completion Report (prepared by external vendor KJ Ross, who was engaged to run UAT4 on behalf of Queensland Health), as well as the QH/CorpTech/IBM Management Response for your information. The QHIC Project Directorate endorsed the Management Response and approval will be requested at the next Project Board meeting on 24/2/2010.

Have a great weekend.

Regards
Naomi

Naomi Du Plessis
ERP Lead
QHIC Project
QHEST
Ph: (07) 3006 7868
Mobile: [REDACTED]

Level 13, 340 Adelaide Street
Brisbane, QLD, 4001

0009

Queensland Health Implementation of Continuity (QHIC)

QHIC Project Management Response to KJ Ross User Acceptance Test (UAT) Completion Report

Ver 1.0

Last Updated: 19 February 2010

DOCUMENT CONTROL

Version	Date	Prepared by	Comments
0.1	1/2/2010	Naomi du Plessis	First Draft
0.2	7/2/2010	Naomi du Plessis	Incorporating various feedback
0.3	8/2/2010	Naomi du Plessis	Updated with feedback from PD members
0.4	8/2/2010	Naomi du Plessis	Updated with additional feedback from PD members
0.5	15/2/2010	Naomi du Plessis	Updated with IBM and CT comments
1.0	19/2/2010	Naomi du Plessis	Final document with approval from all stakeholders

DISTRIBUTION

Name	Title	Function
James Brown	Executive Director Strategy & Planning, CorpTech	Endorse
Tony Price	Director QHEST	Endorse
Janette Jones	Director Payroll and Establishment, QHSSP	Endorse
Jane Stewart	Director HR Applications Management, CorpTech	Endorse
Naomi du Plessis	QHEST ERP Lead	Endorse
Terry Burns	QHEST Quality Assurance	Endorse
Mark Dymock	IBM Project Director	Endorse
QHIG Project Board		Approval

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1. BACKGROUND

The objective of the Queensland Health Implementation of Continuity (QHIC) project is to replace the Lattice and ESP systems with the implementation of Workbrain and SAP HR Payroll systems. IBM was engaged as the Prime Contractor and systems integrator to deliver the new solution and best practice requires that User Acceptance Testing (UAT) remains the responsibility of the client. In this project the main business users participating in testing were from CorpTech, SSP, HR, Finance and QHEST, with QHEST having accountability for UAT. CorpTech undertook parallel UAT regarding integration and payroll processes including automation testing.

As a company specialising in testing, K J Ross was engaged by Queensland Health to manage the User Acceptance Testing (UAT) on behalf of QHEST. As the UAT is now complete, KJ Ross has submitted their UAT Completion Report to QHEST for review. QHEST are required to submit a UAT completion report for acceptance by the Project Board. This needs to give consideration to the K J Ross report however this Management Response will form the basis of acceptance of UAT completion.

2. KJ ROSS REPORT

Essentially the KJ Ross report highlights the following items:

- The functional and business process coverage of the test cases and scope of testing.
- The quality of the system testing performed by the vendor.
- The total duration and several time extensions of the UAT.
- The number of defects discovered during the UAT.
- The outstanding defects at the end of the UAT period.
- Residual risks.
- Conclusions and recommendations.

The purpose of this document is to provide Queensland Health's management response to the K J Ross report inclusive of mitigation actions to enable acceptance of UAT Completion.

3 MANAGEMENT RESPONSE TO KJ ROSS UAT COMPLETION REPORT

Summary of KJ Ross Observations	Queensland Health and Corptech Management Response	IBM Response
Quality of system testing	<p>IBM have the responsibility of providing all system testing prior to handing the system over for UAT testing. IBM have reiterated that system testing quality meets all requirements. It was a concern to the UAT test management that high numbers of defects were encountered in UAT.</p> <p>It is noted that the complexity of the business requirements led to a high level of clarification of detailed processing requirements throughout UAT</p> <p>IBM continues to state that system testing requirements and processes were of sufficient quality and thoroughness, this is not visible to the client and IBM may reiterate this position again for the board when considering the KJ ROSS UAT completion report.</p>	<p>The UAT Test Completion Report questions the quality of system testing simply by referencing the number of UAT defects found. There is no other evidence for this assertion and no context around the UAT defect numbers. The Board requires further information to make informed decisions.</p> <p><u>UAT Defect Numbers</u></p> <p>The report mentions "significant" numbers of UAT defects several times but does not provide sufficient information to allow the board to verify whether this is true, what those defects were or the impact they may have on the business. The UAT defects should not be lumped into a single bucket and include the following categories:</p> <ul style="list-style-type: none"> - Valid functional and system defects; - Defects incorrectly raised due to lack of tester knowledge; - Defects incorrectly raised due to incorrect data; - Duplicate defects; - Defects raised on documentation only; - Defects that are new requirements. <p>The Board needs to understand that raw defect numbers do not by themselves provide sufficient context for decision making, risk assessments or any conclusions about system testing. For example, of 556 Severity 2 defects raised during UAT4, 156 were closed as no defect or duplicates. Of the remaining 400, only 227 (half the total reported number), were classified as code or configuration defects (others were new</p>

		<p>requirements, test data issues etc). None of this basic context is provided in the Test Completion Report.</p> <p>To complete the picture, we need to understand that:</p> <ul style="list-style-type: none"> - A very broad, non-standard definition of Sev 2 was used for UAT and the number of reported Sev 2s was skewed as a result, with a much higher ratio of Sev 2:3 than standard; - There has been significant requirements churn on this project and this has had a large impact on defect numbers; - Any meaningful assessment of defect numbers must measure them against application size. There are approximately 24,000 valid combinations of pay rules within the QHIC solution (a legacy of award complexity), a further 2,000 leave accrual/balance permutations and 10,000 possible schedule compliance combinations (all of which were tested in system test). Using this perspective, the number of UAT defects is low in relative terms. A simple statement of a total number of defects provides no value to decision-makers. <p><u>System Test and System Integration Test (SIT)</u></p> <p>The System Test and SIT strategy and coverage has been reviewed externally numerous times during the course of the project, including the following key test work products:</p> <ul style="list-style-type: none"> - Master Test Plan - Test cases - Test Completion Report (which was audited by KJ Ross) <p>At no stage before, during or after system test and SIT, was the strategy and effectiveness of these activities questioned. All testing was performed against a clear Requirements Traceability Matrix (RTM) and this coverage was confirmed by KJ Ross during their own audit. In total, over 40,000 test cases were executed</p>
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		<p>during these activities across the following areas:</p> <ul style="list-style-type: none"> • SAP – administration and organisational management • Workbrain front end, including MVS and timesheets • Award Calculation • Leave accruals • Leave taking • Leave validation • Schedule compliance • SAP security (user profiles) • WB Security (user profiles) • Internal interfaces – SAP to WB and WB to SAP • End to End scenarios across SAP-WB-SAP; • Baseline 4 (ALCS plus approved Change Requests (CR)) • EOM Accruals CR • Staff Movements CR • Solution Automation – interfaces and payroll processing • Workbrain CRs - Data Extract Utility and BAD balance updates • Issue/Defect 32 • End to End (E2E) regression testing • Queensland Health Application interfaces • Payment processing files
Large number of open defects at the end of UAT4	At the end of UAT4 at 29 January 2010, the following defects were open:	<p>.- IBM are fully participating in the activities outlined above and own and manage the Solution and Defect</p>

	<p>Severity 1 = 0 Severity 2 = 63 Severity 3 = 73 Severity 4 = 7 Total = 143</p> <p>The Board was advised of the defect quantity throughout UAT. The ones of concern were the severity 2 defects. A severity 2 defect was deemed as one that affected payments. The decision to exit UAT was made to analyse more fully the impact of these defects on the go-live decision and sustainability of corrective workarounds beyond the go-live until the defect was resolved. The Board exited UAT 4 so other project activities could proceed whilst a defect management plan was developed. As UAT 4 had completed the testing regime it set out to achieve, the Project Directorate and Board agreed that continued project delay would need to be considered for the total risk position, not the remaining UAT 4 defects. The remaining defects were not categorised as impacting systematic processes or total payroll grouping but were specific and isolated to smaller scenario based issues which were likely to have manageable workarounds.</p> <p>These defects have all been included in the Defect and Solutions Management Plan. All defects in this plan have been prioritised and categorised according to business impact and priority. With consideration of resource capacity and availability of system environments a release plan is in progress to ensure that defects are resolved within the warranty period.</p> <p>As a result of these open defects, approximately 20 additional Workarounds have been identified and the definition, documentation and testing of these Workarounds are currently in progress. The Defect and Solution Management Plan and all workarounds have to be signed off by the end of February in time for the Gate 2 Business Cutover Project Board decision. The outstanding defects and their management will be</p>	<p>Management Plan, which contains the business impact information that was not available from UAT reporting or the UAT Test Completion Report, and which will best help the Board assess risk and make informed decisions.</p> <ul style="list-style-type: none"> - As in the response above, the statements that there are "large" or "surprising" numbers of defects outstanding provides no useful information to the Board, and is not particularly true in relative terms. - In order to provide useful information to the Board, the Test Completion Report should not simply state numbers of open defects but should provide: <ul style="list-style-type: none"> - A summary of the business processes tested in UAT, and their criticality; - The status of each of these business processes based on test execution results; - The business impacts of any open defects against these business processes, including numbers of employees impacted, numbers of dollars, under/over payment etc. This is now being done through the Solution and Defect Management Plan.
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	<p>considered by the Board when making the decision to go-live with the solution. These two items sit within a larger risk environment which will be fully considered by the Board.</p> <p>The complexity and high volumes of awards at Queensland Health presented a number of challenges to the requirements definition, build and test of the solution. These challenges could have contributed to the large number of defects.</p>	
Total timeframe and duration of UAT	<p>The first UAT was scheduled to start on 28 November 2008. On several occasions the Project Board approved the extension of the testing period so that outstanding defects could be resolved and additional User Acceptance and Regression Testing could be undertaken. In effect the level of defect discovery breached acceptable tolerance levels and the vendor was given several opportunities for resolution and additional system testing. The result was that 4 iterations of the User Acceptance Testing were completed over a period of 14 months. Each of these decisions to reject the UAT status impacted greatly on the time and cost of this project.</p> <p>At the end of UAT3, a number of defects were downgraded from severity 2 to severity 3, this resulted from the Project Board reconfirming the severity definition for severity 2 and requesting the Project Directorate to align the severity defects correctly with that definition. It should also be noted that all test scripts executed during UAT3 were scheduled to be executed again during UAT4.</p> <p>UAT 4 was a full rerun of the testing cycle. UAT4 was originally planned to run for 4 weeks, but the Board approved once again several extensions to allow the resolution and discovery of additional defects and a period of regression testing. As all test scripts were to be fully rerun in UAT 4 it was agreed that all remaining defects covered by the specified test scripts only, would be discovered, whether they had been previously reviewed or not.</p>	<p>There were three iterations of UAT, as UAT1 and UAT 2 were concurrently run as one exercise and at that stage were simply the terms for HR Payroll/FI UAT and Corptech UAT respectively. Subsequent UAT exercises became known simply as UAT 3 and 4. The first UAT exercise was not stopped due to defect levels, it was stopped because the UAT teams were not ready, had mostly incorrect test cases and insufficient knowledge to perform testing. IBM were asked to review and validate all UAT test cases after a complete re-write, and existing UAT leadership was replaced, in an effort to address these issues. This led to better quality outcomes in UAT 3 and 4. It should also be noted that an additional reason for delays in UAT was the lack of an agreed baseline set of requirements through an agreed RTM or similar mechanism.</p>

Scope and business coverage of test scripts	<p>A total of 2405 test cases were executed with only 19 failed test cases (less than 1%) as at 29/1/10. The failed test cases are as a result of open defects.</p> <p>A selection of business scenarios were tested from all areas of functionality and business processes. During UAT it is not possible to test all permutations and combinations of scenarios within an area of functionality. For example, in "Movements", tests for movements from Permanent to Temporary and vice versa were included, from Part time to Full time and vice versa, but not for every possible combination of these and not for every Employee Group. A sample of different employee groups was selected in each test concentrating on those groups with the largest number of staff members.</p> <p>The agreed level of testing depended on the priority and business criticality of each function (higher risk = more testing).</p> <p>Note: The level of testing performed is in line with the following reference material:</p> <p>Foundations of Software Testing by Dorothy Graham, Erik Van Veenendaal, Isabel Evans and Rex Black (Thompson Learning, UK, 2007)</p> <p>"The goal of acceptance testing is to establish confidence in the system, part of the system or specific non-functional characteristics, e.g. usability, of the system. Acceptance Testing is most often focussed on a validation type of testing, whereby we are trying to determine whether the system is fit for purpose. Finding defects should not be the main focus in acceptance testing."</p>	
There is a risk that a significant number of functional defects remain in the system. Due to the large number of defects discovered during UAT, there is reason to believe that a similar number of defects exist in the	<p>There are 127 defects unresolved as at 5/2/10 and these have all been included in the Defect and Solutions Management Plan. An analysis has indicated that they can be categorised as follows:</p> <p>Valid Defects</p>	As above

<p>scenarios which have not explicitly been tested.</p>	<p>Queries/reports required for workarounds (Approximately 20)</p> <p>New requirements (to be confirmed)</p> <p>Documentation updates (Approximately 20)</p> <p>Cosmetic requests/potential business improvements (Approximately 17)</p> <p>During UAT, the high priority defects were also grouped together by function to establish if specific functionality has major risks or does not function at all. At the completion of UAT4, there was no specific functional area identified as presenting high risk.</p> <p>To mitigate any residual risk of unforeseen defects additional resources have been included in the Extended Support Plan to ensure optimal response and resolution times. The release strategy allows for multiple transport windows and an additional production support environment to cater for business critical defects.</p>	
<p>The KJ Ross report recommended 2 options:</p> <ol style="list-style-type: none"> 1) Delay the rollout of the system into production until a full System and Integration Test is conducted. This could be executed by any vendor specialising in Payroll Systems and would be a true measure of the quality of the system. The risk inherent in this option is the appetite of the government for delay, but the risk of system issues in production would be greatly reduced. 2) Accept the risk that the functional scenarios not touched by the UAT will not perform as expected and that the defects discovered will need to be fixed in Production. The risk inherent in this option is that 	<p>The Project Directorate agrees that there is a residual risk to continue into Production with the number of severity two open defects. However Option 1 presents an equal or greater risk within the legacy system environment to delay the Go Live, such as the contingency support nature for Lattice, limited priority 1 support for ESP and the need for additional infrastructure and technical sizing that would have to be undertaken if the project was delayed. There is limited configuration opportunity in Lattice with an increased number of workarounds into the future for new requirements.</p> <p>Queensland Health and CorpTech must rely on the expert assurances and advice given by IBM as the prime contractor that their system testing processes have been extensive and adequate for production purposes.</p> <p>Mitigation strategies that have been identified to proceed with option 2 include:</p> <ol style="list-style-type: none"> 1) A large number of QHEST, SSP, CorpTech and IBM resources has been identified to support the end users post go-live and resolve open as well as new 	

<p>the defects discovered may be so many and/or so complex that they cannot be appropriately managed in a timely manner in production. With the state of the system as revealed by UAT, we can only say that there will be many issues in production, but not give any indication of how large that number will be, nor their impact on the productive system. A true System and Integration Test would be able to give a better insight into this risk (as per option 1).</p>	<p>defects.</p> <ol style="list-style-type: none">2) Defects with high business impact have been prioritised for resolving as soon as possible post go-live. This release strategy and schedule is currently being finalised.3) Additional workarounds are being formulated, documented and tested where relevant.4) Queensland Health agreed to address potential payroll issues by communication to the workforce through the appropriate channels.	
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Ray Brown - FINAL Solution Risk Assessment Report FYI

From: Heidi Coleman
To: Adrian Shea; Anthony Price; Bob McDonald; Brigid Bourke; Cesare Callioni; Dulise Maxwell; Emma Bailey; Janette Jones; Lyndel Jones; Michael Kalimnios; Michelle Marshman; Naomi du Plessis; Paul Inns; Ray Brown; Sylvia Chapman; Terry Burns
Date: 2/03/2010 4:05 PM
Subject: FINAL Solution Risk Assessment Report FYI
CC: Heidi Coleman
Attachments: Solution Risk Assessment Report Final 1-02032010.doc

Good afternoon

Please find attached for your information the updated final version of the Solution Risk Assessment Report - which was tabled at the Qld Health QHIC pre-board meeting yesterday afternoon at 3pm.

Please dispose of any prior versions of this document.

Kind regards
Heidi

Heidi Coleman
Program Support Officer
QHEST
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Vol 15
pg 14

QHIC Final Solution Risk Assessment Report 1.0

Presented By:

Terry Burns & Shaurin Shah

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1. Approach

This report is prepared by the independent consultants who were retained by Queensland Health to provide a Project Quality Assurance process over the lifecycle of the QHIC interim payroll replacement project.

This report presents a **strategic** view of the overall residual risk profile for the Queensland Health business stakeholders. While the identified risks will have a potential impact on certain business operations the report is not in itself intended to be a comprehensive analysis of all the **operational risks** associated with this solution.

This **Quality Assurance Framework** process also included the submission of a weekly report to the QHIC Project Directorate and a separate weekly report to the QHIC Project Board.

These reports were focussed on the issues and risks which affected the project during its delivery lifecycle and formed part of the constant review and challenge process which that role required during the various phases of the solution development lifecycle.

The review and challenge process of the delivery lifecycle will cease when a decision is taken by the Project Board to commence a Go Live cut over process.

This **Solution Risk Assessment** report will also present the independent consultants view on whether the solution as built is in a fit state for a go live decision but will mainly concentrate on a risk based impact assessment of this Go Live decision to the Queensland Health functional business units affected by the QHIC solution implementation.

The report will present a high level summarised view of the residual risk profiles from an analysis of the People factors, Process factors and Technology factors.

2. Background

During late 2007 IBM was engaged as Prime Contractor to deliver the Queensland Government's Shared Services program. IBM proposed that they would develop and implement an interim replacement solution for Queensland Health to mitigate a risk to Queensland Health payroll from an unsupported and aging payroll system – Lattice. The current Lattice based payroll solution was not considered robust enough to handle the imminent Nurses EB and product support from the Lattice vendor was due to expire in July 2008.

Based on this, QHIC (Queensland Health Interim Continuity) project was thus initiated by CorpTech back in 2007. IBM proposed that they would implement QHIC by the end of July 2008 replacing ESP with Workbrain as a rostering and awards interpretation tool and Lattice with SAP as a payroll tool.

This solution was to utilise the existing woG HR/Payroll solution deployed then at DoH, a number of new Workbrain components and a certain minimum Queensland Health essential functionality.

This solution was to remain in place until the full implementation of the HR ERP functionality including ESS, MSS, and Workflow etc as it was then planned in the

CorpTech shared services program of work.

3. Executive Summary

The conclusion drawn from the overall analysis contained in this report is that the QHIC SAP/Workbrain solution should provide a lower operational risk to Queensland Health than the current Lattice/ESP payroll system, provided that the risk mitigation plan for the key residual risks is actioned successfully.

A specific recommendation to migrate to the new solution under a set of carefully managed conditions is therefore included in this report.

The key comparisons between the current state system and the future state system which support this view are:

Risk Profile of current Lattice/ESP system

- There is a significant cost and effort required to manage the inherent error rate in the current payroll system due to the significant number of manual processes involved in preparing the input data.
- The software in this system is no longer supported and there is an extreme risk of system failure occurring in the future
- The costs to Queensland Health of providing a measure of skilled support for this technology is high
- The complexity of the awards required by the Queensland Health payroll system are extremely difficult to build into the current system
- Some awards are too complex to be included in the system and require on going manual processes to implement. In fact some of the new complex EBA's cannot be built in the system.
- There are a significant number of detailed technical risks relating to the current software systems which have been considered but not detailed in this report

Characteristics of the new SAP/Workbrain solution

- The system uses a current ERP software technology base which is mainstream and easily supported on normal commercial terms.
- The system is based on a technology platform which can now be developed into a fully integrated HR and Financial solution for Queensland Health.
- The business processes within the SSP for the new system are more automated than the Lattice/ESP system, which removes the need for the manual interpretation of the awards and should result in fewer error correction processes being needed.
- The operational time window required for processing the fortnightly payroll within the SSP should reduce thus improving the contingency available for dealing with operational issues. However the system processes in the new solution are more intensive and do not allow for much time contingency within the pay cycle
- The base technologies provided by SAP and Workbrain are widely deployed in the software industry and allow for a vendor independent approach to future enhancements.
- Retro functionality allows the SSP staff to pay people retrospectively in an automated way.

However certain risk indicators occurred during the project life cycle which gave rise to potential quality issues. Some of these key indicators include:

- High numbers of significant defects still being discovered after the completion of all the project formal testing processes except penetration testing, and during the period when standard project management methodologies consider the solution code base as "frozen" until the system is in live production and under standard release management governance.
- Repeated delays to the forecast completion date.
- Repeated changes and downsizing of the original solution scope were required as the project lifecycle unfolded.
- Repeated disagreements over whether specific business requirements were intended to be included in the solution.
- Repeated change requests resulting in significant contract variations which have resulted in much higher costs than originally contracted.
- Repeated disagreements around the governance of the project.
- Repeated changes in key resources during the project lifecycle.
- Repeated failed attempts to enter and complete the UAT process.
- External reports from specialised firms (KJ Ross and SAP) recommending that additional testing processes were needed prior to Go Live.
- The need to include critical code changes into the solution after the "code freeze" point in the final go-live process.

~~This report does not seek to examine the causes, culpability or consequences of the issues identified above but it makes the inescapable observation **that such a track record raises the risk profile relating to the quality of the solution as delivered.**~~

This status is noted in this report purely in order to manage future expectations and to assist Queensland Health and CorpTech in the management of the residual risk in the solution at the time of Go Live and to make early plans for future improvements in quality and functionality.

It should be noted however that there were specific exceptions to the negative indicators listed above which were material in achieving a solution outcome that was acceptable to the business.

The most valuable were:

- Effective overall direction and facilitation by the QHEST leadership and team members.
- Effective Queensland Health SSP leadership and team members which contributed an essential understanding of the business needs.
- Exceptional Process inputs and policy advice provided by the HR branch and the Finance branch.
- Good processes employed and outcomes achieved by the QHEST data migration team.
- Good processes demonstrated by the CorpTech technology team.



- o Good processes were deployed by the QHEST business readiness team with due regard to a very dispersed and diverse business stakeholder community.

The key assessments addressed during this Quality Assurance process have been –

- A.** Does the new solution represent an increased or decreased business risk to Queensland Health?

Assessment

Due to the extreme risk posed by the present reliance on an obsolete and unsupported technology in the Lattice and ESP payroll system – it is better to move to the new solution.

This assessment is reliant on the assertion by the Queensland Health and CorpTech payroll groups that the new solution is operationally sustainable

- B.** Does the new solution present better or worse operational processes for the Queensland health fortnightly pay run cycle?

Assessment

The new solution based on SAP and Workbrain should be more automated and thus have less dependence on manual processes to compute the payroll. This provides an overall better combination of technology and operational processes.

This assessment is reliant on the assertion by the Queensland Health SSP that the manual work arounds required for the new SAP/Workbrain solution are less onerous than the current Lattice/ESP manual processes.

- C.** What is Queensland Health's strategic business perspective on possibly delaying the Go Live further due to potential quality risks in the new solution?

Assessment

Queensland Health is faced with the need to assess the new solution risks as acceptable or to face the potentially worse option of deferring the new solution yet again.

Queensland Health executive management will have to base their decision on the following factors:

1. There is a complex tripartite contractual arrangement with the prime contractor and CorpTech. There would be significant contractual and commercial challenges if the project does not go live now.
2. The project staff from all parties who have been working on this project are fatigued and any attempt to delay and restart project phases at this stage will be detrimental to staff morale and cause a loss of key skills and knowledge.

3. Rebuilding the project team again would be time consuming and expensive.
4. The financial cost and the time and morale impact on staff of developing the new solution to this stage has been extremely high for Queensland Health. The business is now faced with a situation of project exhaustion across the organisation.

Recommendation

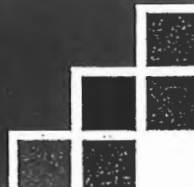
It is our recommendation that Queensland Health enter the production cut over process in order to proceed to go-live, provided all the critical milestones within this process are successfully executed according to the planned schedule and that the risk mitigation plan for the key residual risks is actioned successfully.

But there is a residual risk that the cumulative effect of high levels of defects occurring in each successive pay run, which by their nature create a further impact on the next pay run, could lead to an unsustainable operational condition.

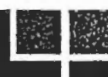
4. Balanced Scorecard – QHIC Solution Assessment:

Scale: 1 - Not Acceptable, 2 - Adequate with a degree of risk, 3 - Adequate, 4 - Good, 5 - Very Good

#	Objective	Measures	Score (1 to 5)
1	Solution that meets the original requirements		3
		Rostering functionality is available and ESP can be replaced.	
		All awards are correctly configured.	
		Integration between HR and FI systems is adequate.	
		Dependence on Lattice is removed	
		All the required reports are available to the SSP and agency users.	
2	Solution Quality		2
		Design is scalable & extensible	
		Build is robust and error free	
		Solution is maintainable (limited customisations)	
		Human Errors and workarounds will be minimised	
		There are no severity 1 or 2 defects that need fixing before going live.	
		CorpTech technology staff is assured that solution is acceptable in terms of system performance - stress, volume, concurrency etc	



3	Business Readiness		3
		<p>Processing staff is aware of all the Pay cycle activities within a pay fortnight</p> <p>QH SSP is confident that Pay cycle activities with work-arounds can be fitted within the time available on Pay Monday</p> <p>People are trained and confident that they know what is expected of them - Agency, SSP & CorpTech</p> <p>All work-arounds are known, training provided and people know when and how to action them.</p> <p>Processing people know what to do with the known errors or issues within the system.</p> <p>All communications and change management plan is actioned.</p> <p>People have read and understood the work instructions</p> <p>There is a high level of management sponsorship and support.</p> <p>People have the right roles, profiles and access available to do the job</p> <p>Business Continuity Plan is available and tested in case of failure of the new system</p> <p>SSP is confident that they would be able to deal with user queries, over / under payments etc post go-live.</p> <p>Info. Division has provisioned the network access, CITRIX support, Print support and have dedicated support team to assist.</p>	
4	Solution Support		3
		<p>Solution is supportable in terms of code quality, customisations, documentation and Knowledge Transfer.</p> <p>CorpTech staff is trained and is equipped to handle issues if any post go-live</p> <p>Processes and work instructions are ready, up-to-date and understood by staff</p> <p>Right profile and access control is available</p> <p>Disaster Recovery and CorpTech business continuity plan is available and tested.</p> <p>The plan for fixing the outstanding defects is converted to schedule and signed off.</p>	
5	Project Methodology		2
		<p>Project was delivered on schedule</p> <p>Project was delivered to original requirements</p> <p>Project was delivered within the planned costs</p> <p>Robust methodology was followed and was visible</p> <p>Quality Control approach and plan was executed by IBM as planned.</p>	



6	Management position	3
	<p>QH and CorpTech Management is willing to accept the residual risks</p> <p>QH and CorpTech Management have confidence that business is ready to embrace this major change.</p> <p>QH and CorpTech Management have full knowledge of the roll-back & contingency measures and plans in case of the new system failure</p> <p>QH and CorpTech Management have confidence that the outstanding defects will be delivered on time by IBM.</p> <p>IBM, CorpTech and QH will have skilled resources lined up to handhold and support the system for the initial period post go-live.</p> <p>Project met the minimum required outcome for QH</p> <p>Project will create a foundation for the future enhancements</p>	
Overall rating to Go/No-Go		

5. Solution Assessment

Residual risk status

Design

- Queensland Health was considered to be the pilot for the whole-of-Government solution using a combination of Workbrain and SAP. The solution design had not been tried and tested before within government with the complexity and scale of the awards like Queensland Health. There are no known implementations of such a design and configuration mix around the world barring Disney World in the USA which has a somewhat similar design. There remains a residual risk of the solution being the first of its kind in this area.
- The solution, which is based on integrating Workbrain and SAP, is very complex and its overall functional integration implications have only been deduced based on a simulated environment using sample data sets. Its mitigation through a full scale PPRT and full scale payroll performance test with a true production like data set post UAT couldn't be performed because of a lack of time available. There remains a residual risk that the implications won't be fully understood especially in terms of payroll performance until after go-live.

Build

It is a basic ICT industry principle that deficiencies in identifying and understanding the business requirements and weaknesses in design will impact the quality of the solution build. The concerning indicator on the QHIC project was the high number of Severity 1 and 2 defects experienced in UAT and final cut over. The fact that defects have continued to be raised post UAT indicates that there is a moderate degree of residual risk about the quality of build.

There is also a risk that high impact further defects might be found in production post go-live.

Test

- During the testing cycles of SIT, UAT, PPV, PPRT, PCV there has been a significant amount of parallel activities and overlap because of the lack of time available in the project schedule. The final status is that,
 - There are a significant number of known severity 2 defects at the UAT completion stage which have been migrated to a Defect and Solution Management Plan to be fixed post go-live while other defects are being dealt with as work-arounds.
 - Severity 1 defects occurred during UAT4 and final cut-over process.

Therefore a moderate risk remains that further defects will be discovered post go-live.

- SAP recommended that a Full Cycle (15 days) test with several ad-hoc and interim runs be carried out in simulation mode across a complete data load. The original plan of carrying this out in PPV4 was de-scoped which means the residual risk still remains regarding the end-to-end payroll process being executed for full data load correctly within the time frames.
- A standard industry practice would be to run a Parallel Pay Run Test (PPRT) to ensure that the new payroll solution provides consistent results with the current payroll product. Because of the nature of the existing Lattice system and related manual fixes required, Queensland Health business concluded that it wasn't feasible to carry this out and reconcile the results in a reasonable time. The risk regarding the accuracy of the final pay still remains although partial reconciliations carried out during PCV have been satisfactory.
- A full regression test will not have been carried out after the inclusion of the final defect drops prior to the first pay run. There is therefore a risk that further defects may occur.

System Performance

- There is a risk that critical defects that occur post go-live may prevent the payroll processing being completed within the allowed pay window.
- Payroll processing is structured in such a way that all payroll processing must complete within the time available for that activity within the pay window.
- There is a residual risk that failure to meet this timeframe means that employees may receive their entitlements late which could result in industrial activity and adverse media attention.
- There is a risk that CorpTech and QH will be subject to significant additional costs post go-live to fix further defects.

Scalability

- Whilst the solution works for the current deployment model where rostering is done by the hubs, there remains a risk that the solution foundation may not be scalable to meet full roll-out of ESS, MSS, Workflow and rostering to the line managers and end users. This could require a significant amount of changes to the core solution.

Maintainability:

- INFOR and SAP have indicated in their reviews that there have been several customisations that have been performed on their standard product that need monitoring. The quality of these customisations remains a residual risk in terms of maintainability and the integration of these customisations into future changes could be difficult.

Industry Experience:

- The risks and issues highlighted in this report imply that Queensland Health could be exposed to some similar issues and challenges to those experienced by the Brisbane City Council with their payroll implementation in June 2005.

6. Agency Business Assessment**Residual risk status****People readiness, operational, training etc.**

- The business readiness and training teams were presented with extreme challenges as a result of the repeated changes to planned implementation dates and solution scope during the project lifecycle.
- The issue of maintaining credibility with the user community and identifying the most effective timing for the required communications was particularly onerous.
- The SSP training will be assessed for effectiveness prior to go live and there is a plan to re-emphasise any identified gaps.
- The final quality assessment carried out on the business transition activities schedule dated 25 February 2010 does however indicate that the business is as ready as it can be under the circumstances.
- The business readiness processes have been well planned and adequate.
- It is normal practice in a diverse operational community such as Queensland Health that much of the line-managers engagement with understanding the new processes will only occur once they start using them.

- QHEST management has anticipated this fact and has instituted a line manager and employee support process post go live to resolve user issues.

Costs

- The work arounds required to deal with the business requirements that were not able to be delivered with this solution will involve significant staff costs.
- These costs will not be clear until the new processes are fully operational and it will be important to monitor these cost impacts and plan for a longer term mitigation strategy

Functionality Deficiencies (work around impacts) –

- A Defect and Solution Management plan has been built to cater for the resolution of the business requirements that were not able to be included in the initial solution.
- A four drop strategy has been defined to cater for the most critical functionality to be delivered prior to the mid 2010 SAP work stack implementations.
- In addition it will be necessary to develop a longer term plan to cater for the significant areas of business functionality that has been dropped from the solution scope to meet the current implementation schedule.

Process Maintainability –

- The business and system processes included in this solution design will take some time to bed down post Go Live. This is a normal outcome in a complex system such as QHIC.
- Once the costs have been fully quantified as mentioned above it will be necessary to develop a balanced score card analysis to determine the long term viability of the business processes as compared to future automation options.

Data Management

Overall assessment is as follows:

- Transactional data will be easier to manage in the new system because there are better data validation processes available
- External interfaces have been tested and found to be functional
- Two full dry runs have been held with the production data build in PCV1 and PCV2
- Once the new system has been live for a while familiarity will improve with the work processes and data quality will improve.

Post Go Live Business Continuity Risks

Pay Process Risks

- The possibility of time constraints to complete the full end to end payroll within the 14 day pay cycle
- Possible uncertainty about where the work arounds will be executed in the pay cycle
- The compounding effect of all the work arounds on the pay cycle work load

Mitigation steps have been planned

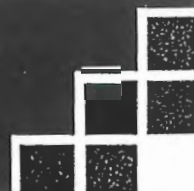
Business Readiness Risks

- How effective have the communication processes been
- Have line managers and employees sufficiently understood the new processes
- Will line managers be trained to provide the required information to the SSP in good time

Mitigation steps have been planned.

Defect and Solution Management Plan

- ~~A new code drop is scheduled into the production environment in the first week before the first pay run~~
- Should a severity 1 defect occur during cut over then a delay could impact the first post go live release
- Emergency changes dropped into the solution shortly before go live could result in application instability due to inadequate regression testing
- There is one particularly high risk defect required for the first release immediately after cut over
- A change freeze will be needed for up to three pay cycles prior to the 5 May SAP support stack application
- Due to the fact that some work arounds are not yet defined – there is a risk that user training might not be completed



- Critical resources will have to be kept available for support post go live from IBM, QHEST and CorpTech
- It is certain that new defects will be discovered post go live in addition to those already identified. There is a risk of a critical defect arising which impacts the system

Mitigation steps have been planned but the ability to deal with an unforeseen level of defects cannot be fully gauged.

Thus there is a residual risk that the cumulative effect of high levels of defects occurring in each successive pay run, which by their nature create a further impact on the next pay run, could lead to an unsustainable operational condition.

7. Document references

- a. Quality Assurance Position Papers
- b. KJR UAT completion Report
- c. IBM Project Reports
- d. Ad hoc Queensland Health Reports
- e. SAP Review Report
- f. INFOR Review Report
- g. Auditor-General's Report 1July-31September 2005 on the Brisbane City Council Payroll implementation

