

Auditing for the Australian Capital Territory

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PA98/06

25 June 1998

The Speaker
ACT Legislative Assembly
South Building
London Circuit
CANBERRA ACT 2601

Dear Mr Speaker

In accordance with the Authority contained in the *Auditor-General Act 1996*, I transmit to the Legislative Assembly my Report titled “*Major IT Projects - Follow-up Review*”.

This audit was undertaken with the assistance of Price Waterhouse.

Peter Hade of this office managed the audit.

Yours sincerely

John A Parkinson

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1. REPORT SUMMARY

1.1 INTRODUCTION

The audit was a follow-up review of six major Information Technology (IT) projects which were examined in June 1994 and reported on in Auditor-General's Report No 7 of 1994 titled "*Implementation of Major IT Projects*". The current status of following major IT projects was reviewed in this audit:

- Transport Regulation Information Processing System (TRIPS) - Department of Urban Services;
- Titles Automated Register and Document Information System (TARDIS) - Department of Justice and Community Safety;
- Nursing Information Management System (NIMS) - The Canberra Hospital;
- Budget Outlays and Revenue Information System (BORIS) - Chief Minister's Department;
- Development Approval Register and Tracking System (DARTS) - Department of Urban Services; and
- Commonwealth Legal Aid Support System (CLASS) - Legal Aid Commission.

1.2 AUDIT OBJECTIVES

The objectives of the audit were to provide independent opinions to the Legislative Assembly on whether:

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- the actual use of the systems since implementation continues to justify the investment;
- for any systems which were abandoned, the decisions to abandon were made as a result of factors which could not have been reasonably foreseen at the time of the planning and implementation of the project; and
- for systems which had not been fully implemented at the time of the previous audit, the subsequent implementation and operation has been effective.

The opinions formed from the audit are set out in the box on page 3.

Year 2000 issues

The audit did not address any Year 2000 exposures or risks in the computer systems involved. These issues will be reviewed and reported following an audit of Year 2000 matters across the ACT public sector which is being carried out at present.

AUDIT OPINIONS

- the actual use of TRIPS, TARDIS, DARTS and CLASS since implementation continues to justify the investments in the systems;
- the decisions to abandon BORIS (in 1996) and CLASS (in 1998) were based on factors which could not have been reasonably foreseen at the time of the initial planning and implementation of the systems; and
- for NIMS which had not been fully implemented at the time of the previous audit, subsequent implementation and operation have been effective.

Other Significant Findings

- although agencies had prepared appropriate contingency plans for potential system failures, none had conducted “real” tests to ensure the alternative procedures identified were workable and effective;
- vendor support for TRIPS may not be sufficient for ongoing growth and system enhancements;
- the information on the DART’s database may not be complete or accurate;
- development application processing controls for DARTS are deficient; and
- further development is required before NIMS can provide The Canberra Hospital with the expected benefits of a fully integrated system.

1.3 BASES FOR AUDIT OPINIONS

The audit opinions are based on the following findings:

Actual Use of Systems

- TRIPS, TARDIS, DARTS (and CLASS to 1998) have achieved their design functionality and are managed effectively; and
- the use of the capabilities created by these systems continues to justify their initial investments.

(See Chapters 3,4,7 and 8)

Abandonment of Systems

- BORIS was decommissioned in 1996, and CLASS in May 1998;
- the reasons for the abandonment of the two systems were identified in business cases developed for the replacement of each system;
- the reasons for replacement could not have been reasonably foreseen at the time of planning and implementation of the systems; and
- the audit is satisfied that appropriate and adequate consideration was given by management to replace the systems.

(See Chapters 6 and 8)

Subsequent implementation and operation of systems which were not fully implemented at the previous audit

- implementation of the NIMS system was only partially complete at the time of the 1994 audit; and
- the total implementation of NIMS is almost complete with all hospital wards expected to be using ExcelCare by June 1998. This milestone will indicate that NIMS has achieved its design functionality.

(See Chapter 5)

Audit Comment

Overall, the audit found that the various systems had been managed effectively and provided the functionality intended when the systems were initially proposed. The use made of the systems continues to justify the investment made in them.

Where systems had been replaced, it was not because of defects in functionality or operation, but because of changes in requirements which were not reasonably foreseeable at the time of the original decisions to develop the systems.

1.4 OTHER SIGNIFICANT FINDINGS

Several other findings were made by the audit in relation to the systems reviewed.

TRIPS Vendor support

TRIPS uses the DBQ Relational Database Management System record structure and software. Because of the relative age of the DBQ product, the development expertise

expected from the vendor may not be sufficient to support ongoing growth and system enhancements. (*Chapter 3*)

NIMS

Although NIMS will be fully implemented in hospital wards in June 1998, there are two matters which must be addressed before NIMS can provide The Canberra Hospital (TCH) with the expected benefits of a fully integrated system:

- the interface to Medilinc and a nominated Human Resource Management Information System (HRMIS) must be completed; and
- an adequately skilled IT support structure should be established to assist the existing system administration

TCH has advised that it is aware of the need for NIMS to interface with Medilink and that it is addressing the requirement for IT support. (*Chapter 5*)

DARTS

The Department of Urban Services has not performed an examination to ensure that all stages of the application approval process have been complied with and completed and entered on the system correctly. Consequently the information on the DART's database may not be complete or accurate. The Department has advised that the completeness, accuracy and integrity of the databases will be examined over the next two years. (*Chapter 7*)

Development application processing controls relating to problem and change management have not been formally established. The Department has plans to resolve this deficiency

in the near future with the migration to Oracle Forms 4.5. (*Chapter 7*)

All Systems - Contingency Planning

Each agency was able to provide documentation on system backup, recovery and business resumption. However, none of the agencies had conducted a 'real' test to determine if the procedures are workable and effective.

The inability to rely on procedures to ensure system recovery from a major disaster is a significant operational and security risk that could compromise these computer-based operations of the ACT Government.

1.5 SUGGESTIONS FOR FUTURE ACTION

The following actions should be considered to address the audit findings which should be addressed:

- in order to gain the full benefits from NIMS the Canberra Hospital should define and complete the interface to Medilinc and the Human Resource Management Information System (HRMIS); and establish an adequately skilled IT support structure to assist in system administration;
- each agency should conduct live contingency testing to determine if its business resumption contingency procedures are practical and effective.

It is acknowledged that those with management responsibility for the IT systems may identify more effective approaches to address the audit's findings than those suggested here. The main

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issue is that the findings which should be addressed are effectively addressed.

2. AUDIT APPROACH

2.1 INTRODUCTION

The audit criteria varied, depending on whether the systems were still in operation or had been replaced. In addition, the audit used additional criteria for the Nursing Information Management System which was not implemented at the time of the 1994 audit.

2.2 SYSTEMS STILL IN OPERATION

For systems still in operation the audit criteria were:

- effective management was established;
- the use of the capabilities continues to justify the investment; and
- the system was managed efficiently including:
 - security (i.e. access control, backup and recovery and DCP);
 - maintainability (i.e. change management procedures, Service Level Agreements); and
 - effectiveness (i.e. user satisfaction).

2.3 APPLICATIONS NO LONGER IN OPERATION

For applications no longer in operation the audit examined:

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- the reasons for the decision to abandon the system and whether these reasons should have been apparent at times of planning and implementation;
- the existence of a business case for proceeding or not proceeding with replacement showing potential benefits and risks to the organisation;
- the replacement capital, ongoing and additional costs;
- the approval processes including tender procedures; and
- the implementation timetable.

2.4 NURSING INFORMATION MANAGEMENT SYSTEM

The Nursing Information Management System (NIMS) was the only system which had not been implemented at the time of the 1994 audit. For this system the audit:

- reviewed documentation to determine whether the system has been implemented successfully.

2.5 INFORMATION SOURCES

Information was obtained from:

- examination of documentation relating to each project;
- testing of each system; and

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- discussions with senior agency management, IT and end-user representatives.

In addition, the audit examined the working papers and reports for the 1994 audit, operating documentation and administrative files, held discussions with system administrators, sample testing and observed system operations.

3. TRANSPORT REGULATION INFORMATION PROCESSING SYSTEM (TRIPS)

3.1 SIGNIFICANT FINDINGS

- *TRIPS has provided significant benefits to the Government and achieved savings in staffing and the provision of IT support services; it continues to satisfy ongoing management, legislative changes and national transport needs on schedule;*
- *the management of TRIPS is effective and reflects good practice in IT operational management;*
- *the use of the capabilities of the system justifies and continues to add value to the investment; and*
- *vendor support for TRIPS may not be sufficient for ongoing growth and system enhancements.*

3.2 INTRODUCTION

TRIPS is a computer system which combines:

- Motor Vehicle Registration;
- Motor Vehicle Driver Licensing; and
- a Parking Enforcement System.

The Government approved funding for the project in the 1990-91 Budget. The project was implemented on 2 January 1992.

The 1994 audit estimated that the capital cost of the system was around \$3.2m.

The 1994 Audit concluded that the implementation of TRIPS had generally been managed effectively and that the use of the system since implementation justified the investment in the project.

3.3 FINDINGS

Management Effectiveness

The ongoing development and maintenance of TRIPS reflects a good practice model in practical management and continues to satisfy ongoing management, Government legislative changes and national transport needs on schedule.

Continued Justification of Investment

TRIPS has not only provided significant benefits to the Government but has also continued to achieve savings in staffing and the provision of reliable IT support services. It continues to provide value for money on the initial investment and adds value through additional developments. Costs to enhance the system have been absorbed in annual budget operating costs.

However, the Department is reviewing the functionality of TRIPS to determine whether it will be able to meet operational requirements in the future as well as national changes to vehicle registration and driver licensing systems.

Efficiency

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Management and operational controls have been formally established to ensure that the system is:

- secure;
- maintainable; and
- provides a high level of user satisfaction.

Other findings

The following matters of some concern came to the attention during the audit:

- TRIPS uses DBQ Relational Database Management System record structure and software. Because of the relative age of the DBQ product, the development expertise expected from the vendor may not be sufficient to support ongoing growth and system enhancements.
- There has not been rigorous testing of the disaster contingency plan to determine if the existing procedures are workable and effective.

The Department commented:

“TRIPS Vendor support

“Support for the DBQ database product is a valid assessment.

“The market for applications development and support skills using DBQ is extremely limited and there are difficulties sourcing trained staff.

“The Department has been made aware of the limitations of DBQ, particularly in relation to future additional requirements.”

“Contingency plan testing

- *“TRIPS is backed up daily.*
- *“Tape copies are taken and stored off-site.*

“In the event of some catastrophic damage to the building housing the system, the application will be recovered from the backup tapes on the replacement hardware.”

3.4 CONCLUSION

It is considered that the management of TRIPS is effective and reflects good practice in IT operational management. The use of the capabilities of the system have not only justified the investment but also continues to add value.

Two matters of concern were noted relating to vendor support and contingency plan testing.

4. TITLES AUTOMATED REGISTER AND DOCUMENT INFORMATION SYSTEM (TARDIS)

4.1 SIGNIFICANT FINDINGS

- *the development of TARDIS and its ongoing management reflect a high level of IT practice;*
- *the system provides value for money and user satisfaction;*
- *the use of the system justifies the investment; and*
- *there is no software maintenance support for the TARDIS application.*

4.2 INTRODUCTION

TARDIS (Titles Automated Register and Document Information System) is a system which automates ACT land titles and associated documents. The system is located in the Registrar-General's Office (RGO) in the Department of Justice and Community Safety.

The implementation of TARDIS was intended in 1987-88 to:

- reduce the reliance on one central paper Register and the resultant wear and tear, insecurity and inaccessibility; and
- overcome duplication of effort and inaccuracies and inconsistencies inherent in a manual system.

The estimated cost of the system was \$2.7m.

The 1994 Audit concluded that the system had achieved savings and produced benefits for the public clients and the Registrar-General's Office.

4.3 FINDINGS

Management Effectiveness

The application has provided significant benefits to public customers and the Government. It has also achieved savings in reducing duplicated processes and outmoded work practices resulting in the use of significantly less support staff, office accommodation and expenditure over the past two years.

Continued Justification of Investment

While planned staged developments have been made to the system since implementation, major enhancements to the system have not been necessary.

Efficiency

Management and operational controls are formally established to ensure that the system is:

- secure;
- maintainable; and
- provides a high level of user satisfaction.

Other finding

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The following matter of concern came to attention during the audit:

- there is no software support for the application. The absence of software support makes the Registrar-General's Office vulnerable to a high level of risk should a major program and/or logic error occur.

The Department of Justice and Community Safety has advised that:

“InTACT provides administrator support for all RGO business systems including TARDIS. This support allows for InTACT to call in Oracle if they cannot fix an Oracle error or problem, there is an amount under the Service Level Agreement that allows some contingency in this respect.

“While the RGO recognises that the TARDIS system is vulnerable to program/logic errors, it must be noted that the system has proven to be particularly stable over the past 8-10 years.

“In addition, every effort has been made to ensure the most appropriate service provider is engaged where the RGO can establish a relationship that ensures the most appropriate and reliable support is provided in relation to the TARDIS application.

“In April 1998 Oracle was engaged to undertake the upgrade of both the Oracle software and the TARDIS application. It is anticipated that a relationship will develop which will allow a formal contractual arrangement between Oracle and the RGO for application support.”

4.4 CONCLUSION

It is considered that TARDIS continues to be managed effectively. The capabilities which it provides have been used to achieve a high level of customer satisfaction and provide value for money. One matter of concern was noted during the audit.

5. NURSING INFORMATION MANAGEMENT SYSTEM (NIMS)

5.1 SIGNIFICANT FINDINGS

- *the implementation of NIMS has been managed effectively since 1994 and is expected to be completed in June 1998;*
- *the capabilities used have provided The Canberra Hospital with the expected level of benefits; and*
- *further development is required before NIMS can provide The Canberra Hospital with the expected benefits of a fully integrated system.*

5.2 INTRODUCTION

The Nursing Information Management System (NIMS) is located in The Canberra Hospital.

The key elements of NIMS are:

- ExelCare - a patient care management system which contains nurse care planning, patient acuity, quality assurance and clinical costing at the ward level; and
- ProAct - a nurse rostering function which contains staff profiles, recruitment details and qualifications. It provides nursing staff needs estimates, shift patterns and leave and payroll interfaces to improve the quality and timeliness of information on staff utilisation.

The total cost of the project is approximately \$2m.

5.3 FINDINGS FROM THE 1994 AUDIT

The project was approved initially for the 1991-92 Budget.

The project was further developed by the Department of Health as Nursing Information Management System (NIMS) and included as a restructuring initiative in the 1992-93 Budget.

The 1994 Audit concluded that senior management of Health had not been effective in ensuring that NIMS was planned and resourced adequately prior to implementation of the project. As a result the project did not meet early deadlines and would overrun initial cost estimates.

Nevertheless, work at the project level had been effective in implementing the system. The audit reported that the system had the potential to provide benefits to justify the investment.

5.4 FINDINGS

At the time of the audit (March - April 1998) the implementation of NIMS was not completed. The staged implementation of ExcelCare across the wards was scheduled for completion in June 1998.

The application has provided significant benefits to The Canberra Hospital (TCH) and in particular Nursing Services by enabling savings in reducing duplicated processes and outmoded work practices resulting in less nursing and support staff.

Management Effectiveness

In recent years, TCH has provided effective management for the NIMS. The ongoing development and maintenance of NIMS since 1994 reflects a high level of achievement. However, the level of resources for supporting the system is deficient when matched against other Health service organisations providing similar services.

Justification of investment

NIMS has provided significant benefits to TCH. The system itself meets management needs as ProACT produces nursing duty rosters and staff resource reports on schedule; and ExcelCare supports patient care in the wards. The applications represent good practice in the provision of nursing care and the management of nurse resources. It is considered that the investment was justified.

Further value will be added to the initial investment when total implementation and integration are achieved. There has been limited enhancement to the system and the costs involved have been absorbed in the Nursing Services' Annual Operating Budget.

Efficiency

Management and operational controls are formally established to ensure that the system is:

- secure;
- maintainable; and
- provides a high level of end-user satisfaction.

Other findings

Although NIMS will be fully implemented in wards in June 1998, there are two matters which must be addressed before NIMS can provide TCH with the expected benefits of a fully integrated system:

- the interface to Medilinc and a nominated Human Resource Management Information System (HRMIS) must be completed; and
- an adequately skilled IT support structure should be established to assist the existing system administration.

TCH has advised that it is aware of the need for NIMS to interface with Medilink and that it is addressing the requirement for IT support.

The business resumption plan has not been tested to determine if the procedures are workable and effective. Nursing staff can continue to provide patient care based on pre-failure data and by manual means until the system recovers.

This process however presents a high risk as lives could be endangered. Consideration should also be given to establishing a fully maintained backup production environment i.e. network and machine with full data at an alternative site.

5.5 CONCLUSION

The audit has concluded that the implementation of NIMS has been managed effectively since 1994. The capabilities used have provided The Canberra Hospital with the expected level of benefits. The complete implementation of NIMS should be concluded

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at an early date to enable the system to realise its full potential and add further value to the initial investment.

6. BUDGET OUTLAYS AND REVENUE INFORMATION SYSTEM (BORIS)

6.1 SIGNIFICANT FINDINGS

- *BORIS was abandoned in 1996 and replaced by Oracle with an interfaced Budget Development Application (BDA);*
- *appropriate and adequate consideration was given by management to replace the system;*
- *the abandonment of BORIS, selection of Oracle BDA as its replacement and implementation of the replacement were cost effective; and*
- *the reasons for abandoning BORIS were not reasonably foreseeable at the time of planning and implementing the system.*

6.2 INTRODUCTION

This Chapter reports on the status of BORIS which was a budget management system implemented in the Chief Minister's Department. BORIS included facilities for regular budget monitoring, and comparisons of actual results with estimates. The cost for BORIS was around \$1m.

The system, based on the *Prophecy* database management product, had Excel macros which enabled production of monthly reports, running sheets and '*what-if*' reports. Word for Windows macro facilities were used to produce tables for the Budget Papers.

6.3 FINDINGS

Reasons for Abandoning the System

The reasons and factors which contributed to BORIS being decommissioned were not evident at the time of the initial planning of the system in 1992 nor at the time of the 1994 audit.

When implemented in 1992, BORIS was a useful and effective application which provided significant benefits to the Financial and Budgetary Management Branch (FBMB) of the Chief Minister's Department.

However, by mid 1995 it became clear that its functionality would be overtaken by the need to provide for the requirements of the Government's financial reform programs including monthly financial reporting and accrual budgeting and reporting.

Existence of a business case showing potential benefits and risks to the organisation

A business case was developed by a consultant in 1996. It detailed the potential benefits of replacing BORIS and estimated the risks for management if BORIS was not replaced. The business case showed that as a result of the impending changes there would be significant effects on the provision of timely budget information and ongoing processing and reporting.

The reform changes which had to be addressed included:

- output-based accrual budgeting, management and reporting regime with effect from 1 July 1996;
- move from cash based accounting to accrual accounting;

- budgeting on an output basis rather than the previous focus on inputs;
- provision of regular reporting based on output costing and delivery; and
- devolved banking and cash management by government agencies.

The recommended course of action was to replace BORIS with Oracle Government Financials (OGF), which was already being implemented in the ACT Government, and an interface called Budget Development Application (BDA).

Capital and Operating Costs of Replacement

Based on information provided by the Finance and Budgetary Management Branch, the cost to implement the replacement Oracle Budget Development Application was \$396,000. This amount is considered to be reasonable for the functionality obtained.

Savings can be accounted for by costs which would have been expended to maintain and enhance BORIS to provide features and options that are built into Oracle BDA.

Approval Processes for Replacement Including Tender Procedures

The decision to abandon BORIS and replace it with Oracle BDA was made by senior officers of the Finance and Budget Management Branch of the Chief Minister's Department. The work was carried out by Assist Pty Ltd as an extension of an ongoing Oracle Government Financials (OGF) support contract between that firm and the Territory.

A public tender process was not followed because of time constraints, Assist's

demonstrated expertise in implementing Oracle and experience of the low availability of OGF implementation expertise in the ACT market.

The implementation timetable

Oracle BDA was implemented during 1996-1997 in accordance with the project schedule.

6.4 CONCLUSION

The decommissioning of BORIS and selection of its replacement and implementation of Oracle BDA were cost effective. The reasons for the decision to abandon BORIS could not have been reasonably foreseen at the time of the initial planning for that system.

The processes and controls used during conversion and implementation satisfied good practice and ensured the successful implementation of an effective application on schedule.

7. DEVELOPMENT APPROVAL REGISTER AND TRACKING SYSTEM (DARTS)

7.1 SIGNIFICANT FINDINGS

- *the DARTS system is managed effectively;*
- *the use of DARTS' capabilities will continue to justify the investment. The application can continue to meet ongoing PALM management needs and ACT land administration changes;*
- *the information on the DART's database may not be complete or accurate; and*
- *development application processing controls for DARTS are deficient.*

7.2 INTRODUCTION

The Development and Approval Register and Tracking System (DARTS) was introduced to control the processing of applications under the Land (Planning and Environment) Act 1991. The cost was estimated to be approximately \$1m.

DARTS has two main functions:

- registering new applications to conduct controlled activities; and
- keeping track of the steps related to the approval process to ensure time limits are complied with. Approvals include, for example, that a development is in accordance with the lease terms, a building proposal conforms with design and siting requirements

and a development meets traffic and environment protection legislation.

The 1994 Audit concluded that the implementation of the project was generally effective in ensuring that the functionality of the system was achieved within timetable. There were some subsequent deficiencies in achieving full use of the system by staff which have now been largely addressed.

It was considered that the use of the system by the department and other users justified the investment made in the project.

7.3 FINDINGS

Management Effectiveness

DARTS continues to satisfy Planning and Land Management (PALM) requirements, ACT Government legislative changes and land management needs.

The Department advised that with the PALM initiative to move to integration of application assessment procedures, it is likely that the development of new workflow systems during 1997-98 will lead to changes to DARTS.

Continued Justification of Investment

DARTS continues to provide benefits to the ACT Government and has achieved savings in staffing. There has been limited enhancement to the system and the costs have been absorbed in the annual budgeting operating costs.

Efficiency

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Management and operational controls are formally established to ensure that the system is:

- secure;
- maintainable; and
- provides a high level of user satisfaction.

Other findings

The following matters came to attention during the audit:

- the integrity of the data on the DART's database may not be correct nor complete as no examination has been performed to ensure that all stages of the application approval process has been complied with and completed correctly;
- development application processing controls relating to problem and change management have not been formally established. The Department of Urban Services has plans to resolve this deficiency in the near future with the migration to Oracle Forms 4.5; and
- there has been no rigorous testing of the disaster contingency procedures to determine if they are workable and effective.

The Department provided the following comments on these findings:

“Data Integrity

“The PALM Business Systems Development and Re-Development program for 1998-2000 gives high priority to the task of examining completeness, accuracy and integrity of all PALM databases, including the DARTS database. In the near future, we will proceed to implement new Database Custodianship

arrangements, with custodian responsibilities including data completeness and accuracy.

“Problem and Change Management Controls

“Conversion of systems to Oracle Forms version 4.5 has commenced in PALM.

“Testing of Contingency Plans

“This matter has been discussed previously [within DUS] with the view to including new arrangements for contingency plans (and their testing) under the Service Level Agreement with InTACT. In the case of PALM, new contingency plans for disaster recovery will be developed and put in place, in conjunction with InTACT, as and when new servers are installed, under the road modernisation program.”

7.4 CONCLUSION

The system is managed effectively and the use of its capabilities will continue to justify the investment. Some matters however came to notice during the audit and these should be addressed.

8. LEGAL AID COMMISSION MANAGEMENT SYSTEM (CLASS)

8.1 SIGNIFICANT FINDINGS

- *CLASS was decommissioned and replaced by LA Office in May 1998;*
- *the decision to abandon CLASS was based on consideration of factors which could not have been reasonably foreseen at the time of planning and implementation of the system; and*
- *the replacement decision was made after an adequate review of the capabilities of LA Office.*

8.2 INTRODUCTION

CLASS is a practice management system used by the Legal Aid Commission. The initial capital cost of the system was around \$230,000.

The 1994 Audit concluded that the CLASS system had been both professionally managed and implemented with senior management and user involvement and justified its investment by meeting the specified requirements of the Legal Aid Commission as well as providing financial savings over the equipment used previously.

The Legal Aid Commission replaced CLASS with a new system - *LA Office* - in May 1998.

8.3 FINDINGS

Reasons for abandoning the system

The decision to abandon the CLASS system was taken:

- because the system was more than 10 years old it was difficult and costly to operate and maintain although it continued to provide the Legal Aid Commission with acceptable levels of satisfaction and benefits; and
- in 1995 the Commonwealth supported a new application based on the need for a national system and its initial contribution to the development of *LA Office*. The support by the Commonwealth has been significant in terms of application development only. This has provided the Legal Aid Commission with the opportunity to acquire a more effective IT platform which can cost effectively support its operations into the next century.

The reasons which contributed to CLASS's abandonment were not evident at the time of the initial planning of the system in 1984 nor at the time of the 1994 audit.

Existence of a Business Case

A business case was developed by an external private organisation for the Legal Aid Commission in 1997. The case estimated the potential benefits and risks of replacing, or not replacing, the CLASS system.

Capital and Operating Costs of Replacement

Based on the examination of financial data provided by the Legal Aid Commission, the costs of \$181,000 to develop, implement and maintain (including hardware upgrades and software licence fees) *LA Office* are considered

reasonable and within acceptable limits. Savings will be generated by avoiding the costs which would have been expended to maintain and also to enhance CLASS to provide features and options built into *LA Office*.

Approval Processes for Replacement Including Tender Procedures

The decision to abandon CLASS and replace it with *LA Office* was made by the Legal Aid Commission management.

The implementation timetable

Examination of the implementation timetable for the replacement system indicated that it is achievable provided staff resources are not significantly reduced.

8.4 CONCLUSION

The actual use of the capabilities during its operational life justified the investment in the system. The abandonment of CLASS and selection of its replacement *LA Office* was cost effective. The new system is capable of providing additional benefits to the Legal Aid Commission.

Annexure

Reports Published in 1992

- 1 Information Technology Management Policies in the ACT Government Service**
- 2 Financial Audits with Years Ending to 30 June 1991**
- 3 GAO Annual Management Report for Year Ended 30 June 1992**
- 4 ACT Board of Health - Management of Information Technology**
- 5 Budget Outcome Presentation and the Aggregate Financial Statement for the Year Ended 30 June 1992**
- 6 Financial Audits with Years Ending to 30 June 1992**

Reports Published in 1993

- 1 Management of Capital Works Projects**
- 2 Asbestos Removal Program**
- 3 Various Performance Audits Conducted to 30 June 1993**
 - Debt Recovery Operations by the ACT Revenue Office
 - Publicity Unaccountable Government Activities
 - Motor Vehicle Driver Testing Procedures
- 4 Various Performance Audits**
 - Government Home Loans Program
 - Capital Equipment Purchases
 - Human Resources Management System (HRMS)
 - Selection of the ACT Government Banker
- 5 Visiting Medical Officers**
- 6 Government Schooling Program**
- 7 Annual Management Report for the Year Ended 30 June 1993**
- 8 Redundancies**
- 9 Overtime and Allowances**
- 10 Family Services Sub-Program**
- 11 Financial Audits with Years Endings to 30 June 1993**

Annexure (continued)

Reports Published in 1994

- 1 Overtime and Allowances - Part 2
- 2 Department of Health - Health Grants
- Management of Information Technology
- 3 Public Housing Maintenance
- 4 ACT Treasury - Gaming Machine Administration
- Banking Arrangements
- 5 Annual Management Report for Year Ended 30 June 1994
- 6 Various Agencies - Inter-Agency Charging
- Management of Private Trust Monies
- 7 Various Agencies - Overseas Travel - Executives and Others
- Implementation of Major IT Projects
- 8 Financial Audits with Years Ending to 30 June 1994
- 9 Performance Indicators Reporting

Reports Published in 1995

- 1 Government Passenger Cars
- 2 Whistleblower Investigations Completed to 30 June 1995
- 3 Canberra Institute of Technology - Comparative Teaching Costs and Effectiveness
- 4 Government Secondary Colleges
- 5 Annual Management Report for Year Ended 30 June 1995
- 6 Contract for Collection of Domestic Garbage/Non-Salary Entitlements for Senior Government Officers
- 7 ACTEW Benchmarked
- 8 Financial Audits With Years Ending to 30 June 1995

Reports Published in 1996

- 1 Legislative Assembly Members - Superannuation Payments/Members' Staff - Allowances and Severance Payments
- 2 1995 Taxi Plates Auction

Annexure (continued)

- 3 VMO Contracts
- 4 Land Joint Ventures
- 5 Management of Former Sheep Dip Sites
- 6 Collection of Court Fines
- 7 Annual Management Report For Year Ended 30 June 1996
- 8 Australian International Hotel School
- 9 ACT Cultural Development Funding Program
- 10 Implementation of 1994 Housing Review
- 11 Financial Audits with Years Ending to 30 June 1996

Reports Published in 1997

- 1 Contracting Pool and Leisure Centres
- 2 Road and Streetlight Maintenance
- 3 1995-96 Territory Operating Loss
- 4 ACT Public Hospitals - Same Day Admissions
Non Government Organisation - Audit of Potential Conflict of Interest
- 5 Management of Leave Liabilities
- 6 The Canberra Hospital Managements Salaried Specialists Private Practice
- 7 ACT Community Care - Disability Program and Community Nursing
- 8 Salaried Specialists' Use of Private Practice Privileges
- 9 Fleet Leasing Arrangements
- 10 Public Interest Disclosures - Lease Variation Charges
- Corrective Services
- 11 Annual Management Report for Year Ended 30 June 1997
- 12 Financial Audits with Years Ending to 30 June 1997
- 13 Management of Nursing Services

Annexure (continued)

Reports Published in 1998

- 1 Management of Preschool Education**
- 2 Lease Variation Charges - Follow-up Review**

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