



ACT AUDITOR-GENERAL'S OFFICE



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Performance Audit Report

Chris21 Human Resource Management System: Procurement and Implementation

The ACT Auditor-General, Mrs Tu Pham, has today presented a Performance Audit report titled 'Chris21 Human Resource Management System: Procurement and Implementation', to the Speaker of the ACT Legislative Assembly.

The audit assessed the procurement and implementation of Chris21, a whole-of-government Human Resource Management System, by the Chief Minister's Department (CMD), supported by Information Technology ACT (InTACT). The audit focussed on the implementation of the HRMS, and in particular, the importance of quality project management, which is critical to the delivery, within timeframe and budget, of the defined outcomes and intended benefits.

Key Audit Findings

The audit concluded that, against a compressed implementation timeframe, the project delivered pay continuity by the target date of 1 July 2005. However, some aspects of the system did not function as intended, and to date, some core functionalities are not yet operational and other contracted deliverables have not been fully implemented.

The structures for project implementation and management were generally sound and had the potential to support good practice in project management. However, partly due to the compressed implementation timeframe, there were a number of problems identified in the actual project management, including:

- Incomplete and ambiguous specifications of requirements resulted in modifications to the base software not performing correctly.
- Data migration and poor quality data in the legacy system were key causes for errors in core functionality.
- Testing was inadequate to ensure quality of the software. Testing was delayed by late delivery of modifications and the compressed timeframe did not allow testing of a broad range of functions and conditions of service.

- Although the Project Board had regularly discussed risk abatement measures, action taken was not sufficient to reduce the risks, and many of the identified risks were realised during the project.
- Deficiencies were found in training provided on systems without full functionality. Additional training was supplied at agency cost.
- Communications with and within agencies were not as effective as required, and agencies were unprepared for the lack of functionality delivered by Chris21 at the 'go-live' date of 1 July 2005.
- The compressed implementation and subsequent configuration problems led to further costs in developing manual processes to work around the deficiencies of the system as implemented. "Work-arounds" involved agencies performing manual calculations of leave, superannuation and termination entitlements that the system was expected to be able to perform.
- Records management in relation to the project was inadequate and did not support ready access to material for the audit

Project expenditure by CMD to 30 June 2007 was \$9.408 million, which was within the project's budget funding. However, this did not include \$1.9 million to work-around the deficiencies of the Chris21 system as implemented and other costs borne by agencies.

In addition to some core functionalities not yet operational, the project has not delivered the intended benefits of a new generation HR system to support recruitment, workforce planning, learning and development, organisational development, industrial reforms and health and safety initiatives.

The intended implementation of many of these wider and strategic functionalities was specified in various documents, such as the original and subsequent business cases, and included in the contract with the system supplier.

Implementation of some purchased Chris21 modules will be subject to further business case analysis and funding. Audit has not seen evidence of any planning or scheduled implementation of Phase 2 functionality to achieve the transformation of human resource management to a more strategic function, as intended.

Recommendations

The audit made six recommendations to address the issues raised. The Chief Minister's Department agreed, or agreed in part, with all recommendations as outlined in the report.

Further Information

For further information, please contact Rod Nicholas, Director, Performance Audits and Corporate Services on 6207 0833. Copies of the report are available from the ACT Auditor-General's Office (Level 4, 11 Moore Street, Canberra City) and from its website, www.audit.act.gov.au.