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Central Agencies

SHARED SERVICES

CASS OPERATING MODEL – FINAL BUSINESS CASE APPENDICES

2 December 2011
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Appendix A – Programme maturity assessment
We have completed a maturity assessment over the current CASS programme to identify areas of focus for the next stages of the programme

Is the programme set up to deliver success?

One of the first activities we completed in preparing this final business case was to provide an independent review of the maturity of the current CASS programme, and the effectiveness of the assess-stage work that had been completed in the previous two years. We applied a PwC methodology for completing this assessment, which is based on six pillars that underpin successful programmes of this nature. Our findings for each pillar, detailed in this appendix, are summarised below:

The six pillars of a successful programme

Organisations who manage these pillars effectively are more likely to have successful projects. Our assessment has focused on evaluating the CASS Programme against each of these pillars.

- **Scope is realistic and managed**: The ‘Scope is Realistic and Managed’ success factor addresses the definition of project boundaries and the processes for managing changes to the project scope. The good practice statements outline practices to ensure that the project scope is understood, consistent with the project objectives and endorsed by project stakeholders. Scope change control is also addressed, including evaluation of the impact of proposed changes to the boundaries of the project and approval processes.

- **Business benefits are realised**: The ‘Business Benefits are Realised’ success factor addresses the initial definition, endorsement and estimation of planned business benefits, through to measurement, monitoring and realisation. The good practice statements are based on the philosophy that project stakeholders should understand, accept and take responsibility for the anticipated business.

- **Stakeholders are committed**: The ‘Stakeholders are Committed’ success factor addresses the identifying, informing and influencing those individuals and groups impacted by the project or who may impact the project. Stakeholders considered should include both internal and external parties involved directly in the project as well as individuals and groups who less direct associations (for example customers, regulators, business partners). The good practice statements outline practices to ensure that the project objectives are understood, recognised and supported by all project stakeholders and stakeholder related risks are effectively managed.
We have completed a maturity assessment over the current CASS programme to identify areas of focus for the next stages of the programme

**Implications of the maturity assessment and proposed solutions**

We have identified risks across each of the six pillars which, when taken together, could jeopardise the success of the CASS programme.

The strengthening of the programme team, led by the new Establishment Director role and supported by the PMO and other dedicated people and resources, are beginning to mitigate a number of these risks. However, should the programme progress to the design stage, there will need to be a significant strengthening of resources for each of the work-streams.

We propose that a detailed review of resource needs is completed by the Establishment Director as a matter of urgency once an implementation strategy and timeline has been agreed for this next stage of the programme. It will be essential that detailed work schedules and appropriate project disciplines are introduced to each of the programme work-streams before the design stage commences to ensure the resource needs are fully identified and addressed.

We have also concluded that the newly introduced communications strategy, and the delivery of a final business case and consultation document, will provide further mitigation of these risks in the short term.

Our main area of concern is the lack of wider stakeholder engagement, particularly within the wider group of internal stakeholders within central agencies, during the programme to date. We have taken some measures that can be taken to address this during the preparation of this final business case, but a more robust approach, with clear responsibilities, will be required at the programme moves into the detailed design and implementation stages.

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**Section 2 – Strategic intent – the vision for CASS**

**We have completed a maturity assessment over the current CASS programme to identify areas of focus for the next stages of the programme**

- **Team is high performing**: The ‘Team is High Performing’ success factor addresses the identification, mobilisation and development of human resources involved on the project. The good practice statements cover the initial tasks of securing the necessary resources, obtaining line management agreement to utilise business resources and building team commitment. Team related tasks performed throughout the project life include communication, developing team skills and knowledge, promoting performance improvement, providing suitable rewards / recognition and managing succession. Effective management of the project infrastructure, including accommodation, transport and equipment also supports a high performing team.

- **Work and schedule are predictable**: The ‘Work and Schedule are Predictable’ success factor addresses the production and delivery of the range of project services and deliverables. The success key also encompasses the processes to ensure that services and deliverables met are specified performance and acceptance requirements.

**Approach to assessing the CASS programme**

Our approach to assessing the CASS programme against these six pillars was to hold a series of structured interviews with staff directly involved with the programme across the three agencies over the last two years. These staff included members of the previous steering committee, the previous project manager, and managers of the four functions across the three agencies. This assessment was completed at the start of the development of this final business case in August 2011. Many of the risks identified in our review have now been mitigated.

Our summary findings for each of the six pillars, including weaknesses, risks and proposed actions, are provided in the following pages.
We propose that a number of actions are required to address the maturity across the current CASS programme to increase the chances of success

Section 2 provides an initial impact assessment of each group of stakeholders for the three agencies which we propose should provide the basis of the future stakeholder engagement work.

It is clear that there has been a lack of communication on the scope and expected benefits of the CASS programme, which has created an environment of scepticism around the success of the programme.

We propose that driving momentum of this programme hard is the best opportunity to address this. This should include:

- Rapid communication of the recommendations drawn from this document;
- An immediate consultation process with affected staff; and
- The preparation of a high-level implementation plan, timeline and associated resource plan for the design stage as quickly as possible after decisions are made on the future conceptual design of CASS (refer to Appendix I for indicative elements of this high-level plan).

Our final main area of concern over the programme to date is the time taken over the assess stage. For up to two years, potentially affected staff have been living with uncertainty over what CASS might mean to them.

Prolonging that uncertainty presents a significant risk of agencies losing key managers and staff from the affected functions.

It would be normal practice to complete the detailed design stage of a change programme of this nature before developing the new management and organisational structures for consultation. It is necessary to understand the services to be delivered before designing the structures to deliver them.

In this case, however, it is more prudent to develop initial management and organisational structures, to be reviewed when CASS is fully operational.
Our findings and conclusions:
Our programme snapshot findings by pillar (1 of 3)

Pillar 1: Scope is realistic and managed

**Strengths:** There is now a clear understanding of the functions in scope for this stage of the programme

**Weaknesses:** The main issue remains the lack of clarity around which processes and activities will be transferred to CASS.

**Risks:** Lack of certainty over scope leads to a reduction in staff morale, both for those staff potentially in-scope, and also for those that are likely to remain within their current agency’s corporate services.

**Proposed action:** Communication of scope decision to affected staff as quickly as possible via the consultation document, and through the morning tea sessions.

Pillar 2: Business benefits are realised

**Strengths:** Some benefit opportunity areas identified in existing programme-level and work stream-level draft business cases. Direct stakeholders becoming clearer about overall benefits of the programme through the articulated vision statement.

**Weaknesses:** Despite the articulation of the vision statement, there remains a level of confusion over the target benefits for the programme, with people still focused on efficiency savings. Some cynicism remains over level of commitment to deliver benefits.

**Risks:** Incorrect or unrealistic expectations of benefits (particularly financial savings) amongst key stakeholders leads to perception of failure of the CASS programme.

**Proposed action:** The final business case will include an assessment of the key benefits expected from the programme by work stream, aligned to the vision statement and design principles. This will be confirmed and developed in the next stage.
Our findings and conclusions:
Our programme snapshot findings by pillar (1 of 3)

**Pillar 3: Stakeholders are committed**

**Strengths:** There is now much greater engagement with direct stakeholders (i.e. corporate services employees), and a good level of commitment amongst direct stakeholders to making CASS work.

**Weaknesses:** There has been little or no engagement with other stakeholders (e.g. other agency staff), and there is a general view that CASS will have little impact on them. There is little evidence of ‘voice of the customer’-type engagement.

**Risks:** CASS will be designed without reflecting the needs of internal customers, service improvement opportunities are missed and/or unfocused and CASS does not sufficiently future-proofed.

**Proposed action:** In the short term, small focus-group sessions held with customer focus groups prior to preparation of the final business case. Increased stakeholder engagement included during the detailed design stage of the programme by work stream.

**Pillar 4: Team is high performing**

**Strengths:** Recent progress in the programme team, including the appointment of the programme director and PMO support has provided people with much greater assurance that the team is in a position to drive forward the required changes quickly.

**Weaknesses:** The main issue was raised was to set up the work stream project groups as quickly as possible following approval of the final business case.

**Risks:** Changes to the programme team result in lost momentum.

**Proposed action:** The Establishment Director has responsibility for establishing a high performing programme team and supporting resources. He will need to ensure appropriate resources are in place before commencing the more demanding design stage.
## Our findings and conclusions:
### Our programme snapshot findings by pillar (1 of 3)

### Pillar 5: Work and schedule are predictable

**Strengths:** Much greater clarity is emerging over programme deadlines, and the new Governance Group is operating effectively in ensuring milestones are achieved.

**Weaknesses:** There is a clear message from stakeholders that greater clarity is required over what happens next and when, after months of uncertainty and delay.

**Risks:** Programme loses momentum and impacted staff lose engagement due to a lack of clarity of work and schedules.

**Proposed action:** Continue with proposed approach of morning teas, weekly updates, intranet, one-to-one meetings, workshops, etc to provide further clarity and certainty over work and schedules as these are approved.

### Pillar 6: Risks are mitigated

**Strengths:** Evidence of formal risk assessment completed by work stream. Governance group now in place to oversee the management of risk.

**Weaknesses:** Risk assessment analysis to date has been primarily focused on detailed/operational risk. Little evidence of strategic risk assessment completed, for example impact of communications risk.

**Risks:** Strategic level risk is not effectively identified and mitigated, resulting in unnecessary negative impacts on the success of the programme.

**Proposed action:** In the short term, the final business case to include an initial assessment of key strategic risks identified, along with proposed mitigation. Programme level responsibility for risk management to be then allocated within the programme team.
Appendix B – Cost and service baseline
In developing our baseline assessment of the four functions, qualitative indicators of performance were used to test and validate the quantitative analysis.

Approach to, and limitations of, the baseline

For this project, quantitative measures were less useful than for other, larger change projects:

- For many of the activities, the scale of the activity (headcount, direct costs, and capital costs) did not allow meaningful comparisons between the two organisations.
- Attempting to derive indicative cost savings from such data to drive a business case would be dangerous, where functions are not consistently structured between the two organisations, and where relying on part-FTE reductions is unlikely to result in real reductions in costs.

As we would expect from smaller Government agencies the level of useful performance data available at the detailed activity level is limited.

The baseline approach therefore focused on existing quantitative data, including the BASS benchmarking information, employee-related costs, and other analysis developed by the agencies over the last two years in support of the preliminary business cases.

Another important element of our baseline assessment has been the qualitative aspects of the process. These have provided us with indicators of performance, efficiency and effectiveness which have allowed us to test and validate our quantitative analysis.

These qualitative aspects included:

- **One-to-one sessions** with service managers to understand the how and why services are delivered;

• **Workshop sessions** with all staff currently working in the functions to gain their perspective of services – what is working well, and where the opportunities lie;

• **Targeted focus group meetings** with services users to gain a ‘voice of the customer’ perspective of services; and

• **Reading and analysing other background information**, including the SOIs, business plans and other service documents.
A total of 26 separate activities across the four functional areas were considered for potential integration

Activities considered for potential integration

We assessed the key areas of activity within each of the four functions. We also assessed the main processes and sub-activities within each of these activities. The objective of the assessment was to determine which of these activities would provide a strong candidate for consolidation.

A summary of the key activities (aligned to the BASS functional taxonomy to assist our financial analysis) is shown below.

<table>
<thead>
<tr>
<th>Key activity areas for each function</th>
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</thead>
<tbody>
<tr>
<td><strong>HR function</strong></td>
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<tr>
<td>Planning &amp; Strategy</td>
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<tr>
<td>Recruitment &amp; Selection</td>
</tr>
<tr>
<td>Develop &amp; Counsel</td>
</tr>
<tr>
<td>Manage Information</td>
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<tr>
<td>Payroll</td>
</tr>
<tr>
<td><strong>IM function</strong></td>
</tr>
<tr>
<td>Collection Management &amp; Maintenance</td>
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<tr>
<td>Document Management</td>
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<tr>
<td>Training &amp; Advice</td>
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<tr>
<td>Strategy, Planning &amp; Compliance</td>
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<td>Research &amp; Monitoring</td>
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<td>Publications &amp; Web</td>
</tr>
<tr>
<td><strong>IT function</strong></td>
</tr>
<tr>
<td>Planning &amp; Strategy</td>
</tr>
<tr>
<td>Management &amp; Administration</td>
</tr>
<tr>
<td>Infrastructure Management</td>
</tr>
<tr>
<td>Infrastructure Development</td>
</tr>
<tr>
<td>End User Support</td>
</tr>
<tr>
<td>Application Maintenance</td>
</tr>
<tr>
<td>Application Development</td>
</tr>
</tbody>
</table>

Process for assessing which activities to combine

For each activity we analysed, subject to the current data available:

- The current resources (FTEs, headcount, employee costs and other direct costs) dedicated to the activity;
- The underlying technology, systems and processes that support the activity;
- The current services provided, and any service level specifications;
- The views of managers and staff currently working in the functions on the future objectives of the functions and the challenges faced in meeting these objectives; and
- The views of service users on the strengths and areas of opportunity related to the activity.

The analysis explicitly considered strategic as well as more transactional activities. The objective of this analysis was to form an assessment whether there is a compelling reason to stop or defer the combination one of one or more of the defined activities by considering three key questions, as shown opposite. The assessment process was guided by the agreed design principle that all support service activities are to be combined unless there is a compelling reason not to do so.
The baseline data indicates there are some opportunities for scale benefits from a combined agency budget for four functions of $11 million and 85 FTE staff.

Observations of the cost and FTE baselines

We have drawn the following observations from our analysis of the cost and FTE baselines, as summarised opposite:

• The Treasury accounts for 60% of the total agency cost of the four functions ($6.6 million of $10.9 million) and 61% of the total FTEs (52 of 85.4);

• Conversely, DPMC accounts for only 13% of the total agency cost ($1.4 million of $10.9 million) and 11% of the total FTEs (9.7 of 85.4);

• There are significant differences in the ratio of in-scope FTEs to total agency FTEs:
  – 8% for DPMC (9.7 of 124 FTEs)
  – 18% for SSC (23.8 of 133 FTEs)
  – 15% for Treasury (52 of 339 FTEs); and

• For a number of the current agency functions, costs and FTEs are well below BASS median benchmarks (see Appendix B), for example:
  – All three agencies have HR staff to total staff ratios that are much higher than the median;
  – SSC’s ratio of finance staff to total staff is much higher than the median.

This analysis indicates there are some opportunities for scale benefits from consolidation.
On the basis of the baseline analysis, we recommend that the majority of activities across the four functions are integrated to ensure real benefits are realised

Findings of the assessment process
The figure below summarises our conclusions based on the baseline assessment for each of the four in-scope functions. Appendix A provides greater detail of the baseline assessment.

We recommend that the majority of activities within each function are transferred to CASS. In some instances, where an activity requires detailed knowledge of an agency and day-to-day interaction with management, we recommend that the CASS staff remain physically located within agencies (“distributed model”).

For the remaining activities, we recommend that staff and technologies are all located together at the central location (Level 6, 1 The Terrace).

From our experience of working with successful shared services arrangements, a level of critical mass is required before any benefits are accrued. This is important because it is required to:

• Drive scale-benefits from transactional activities;
• Allow the concentration of highly-skilled people accessible to all the client agencies; and
• Provide a sufficient level of capital resources required for investing in the new systems and processes which will ensure efficiency savings through automation.

It is our view that, without a full transfer of appropriate activities, CASS will not deliver the scale of benefits expected by chief executives.
The implications of a full integration of the four functions into CASS need to be fully understood by chief executives and their senior leadership team before progressing.

**Implications of transferring all services to CASS**

There are a number of important implications for transferring all services within the four functions to CASS which need to be carefully considered before approving our recommendations.

These implications, which will require a lot of effort to work through during the design stage, include the following:

- Service users (‘customers’) within each agency must expect a different level of service than they currently enjoy – services will be more standardised, more automated and will require more input from service users (for example, through greater automation of approval processes);
- Service users will also need to get used to different ways of working with corporate services – day-to-day contact is likely to be more formalised and through a single point of contact, rather than through walking down the corridor to ask a question, and there will be greater use of telephone calls for straightforward/transactional queries;
- Chief executives and their senior leadership teams will need to form different types of relationships with people they rely on for strategic advice, including support and input into annual planning, the budget process and strategic HR support; and
- Individual agencies will get smaller, in some cases this decrease in size will be dramatic – for example, SSC total FTE numbers could reduce by over 15%.

**Appendix C** provides a number of illustrative examples of how processes might work between agencies and CASS for finance activities.

**Further baseline information**

The remainder of this appendix provides further baseline information.

- Finance function (**Appendix B1**);
- Human resources (HR) function (**Appendix B2**);
- Information Management (IM) function (**Appendix B3**); and
- Information Technology (IT) function (**Appendix B4**).

For each of the key areas of activity under each function, the appendix provides:

- The nature of the current activity;
- Service improvement opportunities and barriers;
- The scale of the potential opportunity (cost and headcount);
- The current organisational structures; and
- A summary conclusion on whether to consolidate.

**Appendix C** provides a number of illustrative examples of how processes might work between agencies and CASS for finance activities.
Appendix B1 – Finance baseline information
Key finance activities mapped to the processes and sub-activities assessed as part of the baseline review process

<table>
<thead>
<tr>
<th>Finance processes and sub-activities</th>
<th>Planning &amp; management</th>
<th>General accounting &amp; reporting</th>
<th>Revenue accounting</th>
<th>Fixed asset &amp; project accounting</th>
<th>Accounts payable</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Perform planning/budgeting/forecasting</td>
<td>• Manage policies and procedures</td>
<td>• Process customer credit</td>
<td>• Process capital planning and project approval</td>
<td>• Process accounts payable</td>
<td>• Manage treasury operations</td>
</tr>
<tr>
<td></td>
<td>• Perform cost accounting and control</td>
<td>• Perform general accounting</td>
<td>• Invoice customer</td>
<td>• Perform capital project accounting</td>
<td>• Process accounts payable</td>
<td>• Manage taxes</td>
</tr>
<tr>
<td></td>
<td>• Perform cost management</td>
<td>• Perform fixed-asset accounting</td>
<td>• Process accounts receivable (AR)</td>
<td>• Perform capital project accounting</td>
<td>• Process expense reimbursements</td>
<td>• Manage international funds</td>
</tr>
<tr>
<td></td>
<td>• Evaluate and manage financial performance</td>
<td>• Perform general accounting</td>
<td>• Manage and process collections</td>
<td>• Perform capital project accounting</td>
<td>• Process expense reimbursements</td>
<td>• Systems</td>
</tr>
</tbody>
</table>

**Commentary on the HR activities**

- The Finance processes and sub-activities are derived from the 2009/2010 BASS taxonomy and data.
- They cover both strategic and transactional finance activities.
- Activities excluded include internal audit and risk, payroll (with HR), non-financial performance reporting and procurement.
- Excluded activities also include the Treasury’s fiscal reporting, state sector roles and NZDMO responsibilities.
- Activities are reasonably consistent between the three agencies.
- Ownership of financial strategy and planning should always remain with each agency. However, the development and delivery of financial strategy and planning will be the responsibility of the finance function.

Sources: BASS taxonomy, PwC Finance Function Effectiveness methodology
Key finance activities mapped to the processes and sub-activities assessed as part of the baseline review process

<table>
<thead>
<tr>
<th>Finance function – FTEs and costs (2009/10)</th>
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<tbody>
<tr>
<td><strong>FTEs</strong></td>
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<tr>
<td>DPMC</td>
</tr>
<tr>
<td>State Services Commission</td>
</tr>
<tr>
<td>The Treasury</td>
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</table>

<table>
<thead>
<tr>
<th>Finance function</th>
<th>DPMC</th>
<th>State Services Commission</th>
<th>The Treasury</th>
<th>The three CAs</th>
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</thead>
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<tr>
<td>Total $(000)</td>
<td>198</td>
<td>807</td>
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<tr>
<td>Planning &amp; Management</td>
<td>31</td>
<td>159</td>
<td>614</td>
<td>803</td>
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<tr>
<td>Revenue Accounting</td>
<td>48</td>
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<tr>
<td>General Accounting &amp; Reporting</td>
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<td>177</td>
<td>307</td>
<td>515</td>
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<tr>
<td>Fixed Asset Project</td>
<td>12</td>
<td>48</td>
<td>20</td>
<td>80</td>
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<td>Accounts Payable &amp; Expenses</td>
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<td>193</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Total FTEs</strong></td>
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<td>7.0</td>
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<td>Fixed Asset Project</td>
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<td>0.1</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Accounts Payable &amp; Expenses</td>
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<td>0.5</td>
<td>0.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>1.3</td>
<td>0.2</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Commentary on the HR baseline review

- There are significant differences in the ratios of finance staff to total employees in each agency:
  - DPMC – 1 : 50
  - SSC – 1 : 19
  - The Treasury – 1 : 42
- When compared to the rest of the public sector agencies, it shows all that agencies are operating at ratios either side of the median (which is 1 : 33 according to BASS 2009/10).
- It is noted there are unique activities to each agency which will explain these ratios, such as the wider “trouble shooter” responsibilities taken on by Treasury. However, the data indicated there are still opportunities for improvement, particularly in SSC.

Sources: BASS taxonomy, Agency data from the information request
There is a high level of viability of integrating finance function activities, which will generate significant opportunities

Commentary on the assessment of activities to transfer to CASS

- The central agencies will see efficiencies, effectiveness, improved economies of scale and improved knowledge with the business insight, control and transactional processing activities centralised in a shared services model.

- Splitting the finance function into agency and shared services will create acute problems in managing process hand-offs, and in maintaining critical mass (particularly with DPMC, due to their small function).

- Transactional processing activities and generic but highly-skilled activities (such as technical financial accounting) will be best served through centralising into single teams in a single location. This will drive scale benefits (transactional activities) and quality improvement and resilience (highly-skilled activities).

- Activities such as financial planning and strategy need to be closely aligned to the business strategy. Having these activities distributed in the three agencies, although still part of the central agencies shared services, will ensure the necessary uniqueness and requirements of the agencies are maintained through the services delivered.

- The ownership of the financial strategies and plans will be retained with each agency. Managers for each agency will continue to enforce the strategy among their staff and work with the central agencies’ shared services finance function to guide and facilitate the process.

- Some CFO functions, such as approving the annual budget and signing the annual financial statements, will need to remain with the agencies – this does not necessarily mean the CFO role itself will need to remain. The Treasury CFO activities will need support from CASS to fulfil wider responsibilities, including state sector review role and the wider leadership role.

- The opportunities to standardise and automate financial policies and processes across the central agencies increase under this model. This is an opportunity identified among the corporate services customers through the Voice of the Customer workshops conducted throughout this process.
Staff within the finance functions of each agency have identified consistent opportunities to improve service levels and resilience

<table>
<thead>
<tr>
<th>SSC</th>
<th>Treasury</th>
<th>DPMC</th>
</tr>
</thead>
</table>
| **Current Profile** | • Progress has been made in developing more useful and forward-looking financial information and business partnering skills over the last two years  
• Issues remain around usefulness of financial information produced in relations to Kiwisaver | • Providing a good level of service to customers with good balance between compliance and value-add decision-support  
• Expectation that Treasury has the capacity to respond to crisis situation e.g. AMI, DGS, NZECO. Known as ‘safe pair of hands’  
• Technical accounting skills must be strong | • Complex requirements for the finance team due to diversified nature of the Agency requires strong understanding from the business  
• High level of flexibility across the team due to small size of the team  
• Risk due to key person dependencies in the finance team |
| **Target Profile** | • Need to work closely with customers to provide better decision support  
• Need to continue develop usefulness/forward-looking focus of management reporting | • Cannot afford to lose strong compliance focus from the finance function  
• Need to continue to develop more proactive information for Treasury team | • Finance is providing the right level of services to customers  
• Main objective is to reduce key-person dependency risk |
| **Implications** | • Requires further strengthening of management accounting team  
• Requires development of business skills amongst the team | • Maintain strong compliance focus  
• Requires development of business partnering management accounting team  
• Access to wider Treasury responsibilities need to be maintained | • Requires building strengthening depth of finance team without losing flexibility or business knowledge |

Sources: Workshop with finance staff held on 31 August 2011
Our assessment, supported by the finance workshops, is that in principle all finance activities should be in-scope

<table>
<thead>
<tr>
<th>Function</th>
<th>Activity</th>
<th>Specificity</th>
<th>Specialisation</th>
<th>FTEs</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>Planning &amp; Management</td>
<td>Relatively Generic</td>
<td>Relatively Specialised</td>
<td>7.0</td>
<td>$803,344</td>
</tr>
<tr>
<td></td>
<td>Revenue Accounting</td>
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<td>Transactional</td>
<td>1.9</td>
<td>$185,534</td>
</tr>
<tr>
<td></td>
<td>General Accounting &amp; Reporting</td>
<td>Generic</td>
<td>Relatively Transactional</td>
<td>3.7</td>
<td>$514,932</td>
</tr>
<tr>
<td></td>
<td>Fixed Asset Project</td>
<td>Generic</td>
<td>Relatively Specialised</td>
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</tr>
<tr>
<td></td>
<td>Accounts Payable &amp; Expenses</td>
<td>Relatively Generic</td>
<td>Transactional</td>
<td>3.5</td>
<td>$193,442</td>
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<tr>
<td></td>
<td>Other</td>
<td>Relatively Generic</td>
<td>Transactional</td>
<td>1.2</td>
<td>$295,031</td>
</tr>
</tbody>
</table>

**Assessment, Justification and possible implementation issues**

**Planning and Management:** *(IN-SCOPE)* Presents opportunities to standardise reporting / forecasting to best practice except for specialized. Integration might be difficult unless communication lines are kept open.

**Revenue Accounting:** *(IN-SCOPE)* It presents opportunities for process & COA alignment.

**General Accounting & Reporting:** *(IN-SCOPE)* Treasury have specific processes around Trust Accounts (Generic but Specialized). Memorandum Accounts (Generic but Specialized). Single Policies + Procedures will ease implementation. The three Agencies should be exemplar to Public Sector.

**Fixed Asset Project:** *(IN-SCOPE)* Some specialized cases such as capital project for Govt. House / DMO.

**Accounts Payable & Expenses:** *(IN-SCOPE)* Goal: Single set of policies & procedures but recognise the contracts specific to Agencies.

**Other:** *(IN-SCOPE)* Some tasks/processes are more specialized and specific than others. e.g. Manage International Funds. Performance Reporting is preferred to be IN, but business may have a different view.

Sources: 2009/10 BASS data, CASS preliminary business cases, finance workshop held on 31 August 2011
There is a high level of viability of integrating finance function activities, which will generate significant opportunities.

### Summary Assessment - Viability

**Function**: Finance

<table>
<thead>
<tr>
<th>Activity</th>
<th>Implementation / Opportunity</th>
<th>Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Management</td>
<td>LIKELY</td>
<td></td>
</tr>
<tr>
<td>Revenue Accounting</td>
<td>INCLUDED</td>
<td></td>
</tr>
<tr>
<td>General Accounting &amp; Reporting</td>
<td>INCLUDED</td>
<td></td>
</tr>
<tr>
<td>Fixed Asset Project</td>
<td>LIKELY</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable &amp; Expenses</td>
<td>INCLUDED</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>INCLUDED</td>
<td></td>
</tr>
</tbody>
</table>

### Summary Conclusion

As an outcome of the Finance Function workshop, the team from the Central Agencies agreed that the six activities analysed should be included in the Central Agencies Shared Services (CASS). Only Planning & Management and Fixed Asset Project are considered as "likely" as they will need special attention to ensure an effective integration.

Overall, the viability of the integration is assessed as Medium to High. Most of the activities in the Finance Function were agreed easy to include by the workshop team.

As the charts on the right show, the service configuration is expected to require around 17.5 FTEs and represent approximately $2.1 million in annual running costs for the Central Agencies. Treasury recommends that the State Sector team is also included in-scope.

### Opportunities

- Better access to share resources, greater team resilience and increased flexibility
- Improvement opportunities through synergies: each team will benefit from each other’s best practices.
- Use economies of scale to reduce transactional processes
- Spread less exciting transactional tasks across range of people
- Develop one set of consistent policies
- Better long term strategic planning for capital
- All on the same system so economies of scale for reporting
- More people know how to use FMIS
- Improved estimates

### Barriers / risks

- Implementation delays
- Loss of communication with agencies
- Maintain special requirements of each agency
- Buy-in from CEs and other stakeholders
- Resolving Detailed boundary issues
- Loss of agency identity
Appendix B2 – HR baseline information
Key HR activities mapped to the processes and sub-activities assessed as part of the baseline review process

Commentary on the HR activities

- The HR processes and sub-activities are derived from the 2009/2010 BASS taxonomy and data.
- They cover both strategic and transactional HR activities.
- By ensuring reliable provision of the transactional HR functions and adopting an HR-as-business-partner model within the business, HR assumes the critical role of designing talent-management systems and processes that help management execute the business strategy.
- HR achieves this objective by aligning HR functions, such as recruiting, hiring, training and development and succession planning, with the overriding business goals and objectives. HR programs, policies, and projects also are key elements in a HR strategy.
- Ownership of the HR strategy and how it will contribute to achieving the overall business strategy will always remain with each agency. The implementation of the strategy will be the responsibility of the HR function.
The 2009/10 BASS data shows the current running costs and FTEs in the central agencies’ HR function

Commentary on the HR baseline review

- The proportion of FTEs, and therefore costs, dedicated to HR in each of the three agencies are proportionate to the size of the agency. Of marked difference, is the ratio of HR staff to employees in each agency:
  - DPMC – 1 : 36
  - SSC – 1 : 24
  - The Treasury – 1 : 30
- When compared to the rest of the public sector agencies, it shows all three agencies are operating at a ratio below the median (which is 1 : 70 according to BASS 2009/10).
- It is noted there are unique activities to each agency which will explain these ratios, such as SSC HR also processes the payroll for all the Chief Executives in the public sector and DPMC HR develops the annual report on behalf of the agency. However, there is still opportunity for improvement.

Sources: BASS taxonomy, agency data from the information request
While all HR functions will be in scope in the central agencies shared services, it is necessary that some activities are distributed and performed within the agencies.

**CASS – centralised activities**

<table>
<thead>
<tr>
<th>HR function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment &amp; selection</td>
</tr>
<tr>
<td>Reward &amp; retain</td>
</tr>
<tr>
<td>Develop &amp; counsel</td>
</tr>
<tr>
<td>Manage employee information</td>
</tr>
<tr>
<td>Payroll</td>
</tr>
</tbody>
</table>

**CASS – activities distributed**

- Planning & strategy
- Redeploy & retire

**Activities retained by agencies**

- Ownership of overall strategy

**Commentary on the assessment of activities to transfer to CASS**

- The central agencies will see efficiencies, effectiveness, improved economies of scale and improved knowledge with the HR transactional activities centralised in a shared services model.
- Processes such as recruitment and selection, managing employee information and payroll are generic activities when centralised can improve processing standards and timeliness.
- This is the same for activities such as managing the processes to reward and retain staff as well as developing them through training programs and providing counsel through services, such as EAP, where necessary. While carrying out these activities are relatively transactional in nature, a degree of tailoring to each agency will be required. Therefore it is important that some activities are distributed to each agency.
- Activities such as planning and strategy and redeploying and retiring need to be closely aligned to the business strategy and employee performance management. Having these activities distributed in the three agencies, although still part of the central agencies shared services, will ensure the necessary uniqueness and requirements of the agencies are maintained through the services delivered.
- The ownership of the overall strategy, including the talent strategy, performance management strategy, recruitment and retention strategy, learning and development strategy will be retained with each agency. Managers for each agency will continue to enforce the strategy among their staff and work with the central agencies’ shared services HR function to guide and facilitate the process.
- The opportunities to standardise the strategies and HR policies across the central agencies increase under this model. This is an opportunity identified among the corporate services customers through the Voice of the Customer workshops conducted throughout this process.
Staff within the HR functions of each agency have identified consistent opportunities to improve service levels and resilience

### SSC

**Current Profile**
- Progress has been made in developing more useful HR information and by providing more commentary with it.

**Target Profile**
- Would like to move towards a more business partner profile by working closely with customers while still providing the basic support expected from HR.

**Implications**
- Further development on defining the role as a business partner will be beneficial especially in relation to providing strategic HR services.

### Treasury

**Current Profile**
- There has been a recent move towards business partnering as a wider HR team.
- There is also a strong focus on processing efficiencies and maintaining the minimum HR expectations which are more apparent to newer staff.

**Target Profile**
- There is a cohesive shift towards providing business partnering services which can be partly defined by providing useful commentary on information to customers in order to make good business decisions.

**Implications**
- Still need to maintain a strong compliance focus.
- Requires development of business skills especially in relation to providing strategic HR services.

### DPMC

**Current Profile**
- There is a focus on providing information which assists in business decision making.
- There are strong relationships established within the business.

**Target Profile**
- While there is a focus to develop relationships and the business knowledge further, the importance of maintaining a balance across each of the four dimensions is important.

**Implications**
- Maintaining relationships within DPMC and building new relationships in The Treasury and SSC will be important.

---

Sources: Workshop with HR staff held on 8 September 2011
Our assessment, supported by the HR workshops, is that in principle all HR activities should be in-scope.

<table>
<thead>
<tr>
<th>Function</th>
<th>Activity</th>
<th>Specificity</th>
<th>Specialisation</th>
<th>FTEs</th>
<th>$</th>
<th>Ease of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>Planning &amp; Strategy</td>
<td>Specific</td>
<td>Relatively Transactional</td>
<td>3.4</td>
<td>$478,618</td>
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</tr>
<tr>
<td></td>
<td>Recruitment &amp; Selection</td>
<td>Relatively Generic</td>
<td>Relatively Transactional</td>
<td>4.7</td>
<td>$730,143</td>
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</tr>
<tr>
<td></td>
<td>Rewards &amp; Retain</td>
<td>Generic</td>
<td>Transactional</td>
<td>1.7</td>
<td>$262,539</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td>Develop &amp; Counsel</td>
<td>Relatively Generic</td>
<td>Relatively Transactional</td>
<td>5.1</td>
<td>$990,344</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Manage Information</td>
<td>Generic</td>
<td>Transactional</td>
<td>1.5</td>
<td>$199,372</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Redeploy &amp; Retire</td>
<td>Relatively Specific</td>
<td>Relatively Transactional</td>
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<td>$103,635</td>
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</tr>
<tr>
<td></td>
<td>Payroll</td>
<td>Generic</td>
<td>Transactional</td>
<td>3.8</td>
<td>$244,680</td>
<td>High</td>
</tr>
</tbody>
</table>

Summary of Opportunities and Justification of Assessment

**Planning & Strategy:** (IN-SCOPE) Although tasks and report could be relatively transactional and relatively generic the outcome of it is specific to each agency.

**Recruitment and Selection:** (IN-SCOPE) Synergies for best practices, Consistent standards, Economies of scale, Leverage each other activities.

**Rewards & Retain:** (IN-SCOPE) Activities are relatively transactional and relatively generic.

**Develop & Counsel:** (IN-SCOPE) Assuming one set of Terms and Conditions.

**Manage Information:** (IN-SCOPE) Assuming that we have a shared payroll, HRIS system, the activities are transactional and generic and should present no issues for integrations.

**Redeploy & Retire:** (IN-SCOPE) Integration is possible ensuring strategic decision making.

**Payroll:** (IN-SCOPE) Manage focused reporting, Process & QA checks, Join with Finance needs, We like payroll as in HR function.

Sources: 2009/10 BASS data, CASS preliminary business cases, HR workshop held on 8 September 2011.
There is a high level of viability of integrating HR function activities, which will generate significant opportunities

### Summary Assessment - Viability

**Function**

**HR**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Implementation / Opportunity</th>
<th>Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Strategy</td>
<td>Likely</td>
<td></td>
</tr>
<tr>
<td>Recruitment &amp; Selection</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Rewards &amp; Retain</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Develop &amp; Counsel</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Manage Information</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>Redeploy &amp; Retire</td>
<td>Likely</td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>Included</td>
<td></td>
</tr>
</tbody>
</table>

**Summary Conclusion**

As an outcome of the HR Function workshop, the team from the Central Agencies agreed that the seven activities analysed should be included in the Central Agencies Shared Services (CASS). Only Planning & Strategy and Redeploy & Retire are considered as “likely” as they will need special attention in the strategic decisions to ensure an effective integration.

Overall, the viability of the integration is assessed as Medium to High. Most of the activities in the HR Function were agreed relatively easy to include by the workshop team.

As the charts on the right show, the service configuration is expected to require around 20.7 FTEs and represent approximately $2.1 million in annual running costs for the Central Agencies.

### Opportunities

- One good HRIS to improve information management, knowledge sharing, better information analysis and reporting.
- Improved recruitment capability and processes.
- Capabilities development
- Better training & development
- Refine payroll processing
- Improved, high quality, HR reporting
- Leverage of knowledge & skills from other agencies
- Sharing the workload
- HR specialists

### Barriers / risks

- Loss of identity
- Loss of good existing relationships

### Sources

2009/10 BASS data, CASS preliminary business cases, HR workshop held on 8 September 2011
Appendix B3 – IM baseline information
Key IM activities mapped to the processes and sub-activities assessed as part of the baseline review process

Commentary on the IM activities

- We have assumed that Cabinet Office records management is out of scope (to be confirmed by DPMC prior to commencing the design stage)
- For this initial assessment, we have categorised the Web and Publishing processes and sub-activities as part of IM.
- Further differentiation of Communication processes and sub-activities and Web and Publishing processes and sub-activities needs to occur.
- The DPMC input to this analysis has been driven by representation from Corporate Services. Further representation is required from other DPMC areas.
- For both Treasury and the SCC, there was a strong alignment of IM processes and sub-activities. This alignment was less with DMPC Corporate due to the large variance in size of the various agencies.
- Even though there is a high level of alignment in IM processes across the three Agencies, there is an overriding requirement for the continuation of the strong relationships the various IM functions have built over time with their core customers.
Key IM activities mapped to the processes and sub-activities assessed as part of the baseline review process

Commentary on the IM baseline review

- The analysis above includes Information Management, Publications and Web figures for Treasury. The DPMC figures only capture Corporate Services FTE. Publication activity is not included in the SCC FTE or costs.
- In relationship to number of FTEs engaged by process, Web and Publishing and Research Monitoring were the largest core processes within IM, with Strategy, Planning and Compliance the smallest.
There is a high level of viability of integrating IM function activities, which will generate significant opportunities

Commentary on the assessment of activities to transfer to CASS

- There is a large amount of commonality between the core processes across the agencies. This was especially the case for Collection Management, Records Management, Training & Advice, and Publications and Web.

- The other core processes also had a high degree of commonality, but areas of specialisation, such as Strategy and Planning and Research and Monitoring that required specific Agency knowledge will take longer to integrate into the CASS model. Such functions should be included in CASS though as the cost and complexity of separating them would be prohibitive.

- Note that this analysis does not include the integration of DPMC EDRMS infrastructure or applications, nor incorporation of the Business Units outside of Corporate Services. This analysis is still in progress.

- Consideration should also be given that the CASS function should include Strategy, Planning and Compliance responsibilities and activities for each Agency, but the overall accountability of Compliance and Overall IM strategy must sit with each Agency.

- The requirement for continued personal relationship management and specialised knowledge of each Agency customer needs must be integrated successfully into the new function.
Our assessment, supported by the IM workshops, is that in principle all IM activities should be in-scope.

<table>
<thead>
<tr>
<th>Function</th>
<th>Activity</th>
<th>Specificity</th>
<th>Specialisation</th>
<th>FTEs</th>
<th>$</th>
<th>Ease of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection Management and Maintenance</td>
<td>Collection Management and Maintenance</td>
<td>Relatively Generic</td>
<td>Relatively Transactional</td>
<td>3.1</td>
<td>NA</td>
<td>High</td>
</tr>
<tr>
<td>Records Management</td>
<td>Records Management</td>
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<td>Relatively Transactional</td>
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<td>Training and Advice</td>
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<td>Low</td>
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<tr>
<td>Strategy, Planning and Compliance</td>
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<td>Relatively Transactional</td>
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<td>Research and Monitoring</td>
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<td>Relatively Transactional</td>
<td>7.2</td>
<td>NA</td>
<td>Low</td>
</tr>
</tbody>
</table>

Summary of Opportunities and Justification of Assessment

**Collection Management and Maintenance (IN-SCOPE)**: Most of the tasks i.e. Maintenance of LMS, hardcopy collection, circulation, etc. are considered Relatively Generic and Relatively Transactional.

**Records Management (IN-SCOPE)**: Task included i.e. paper file management, disposal programme, reporting / audit, were agreed Relatively Transactional and Relatively Generic.

**Training and Advice (IN-SCOPE)**: Training and induction are Relatively Transactional and Relatively Generic. Follow-ups and Advice are Relatively Specialised and Relatively Specific.

**Strategy, Planning and Compliance (IN-SCOPE)**: The workshop team agreed it can be done inside CASS, but requires a settling in period. Strategy and Planning are Specialised and relatively Generic but Compliance is Relatively Transactional and Relatively Generic.

**Research and Monitoring (IN-SCOPE)**: It is possible, but with organisation knowledge for Research. Info sources themselves are unique to the business, the questions are also business specific. Agreed to be Relatively Specialised and Relatively Generic.

**Publications and Web (IN-SCOPE)**: Tasks such as Intranet & web publishing, E-govt services and lightweb database development are Transactional and Generic. CMS platforms, desktop publishing and graphic design are Relatively Transactional and Relatively Generic. Website strategy, budget publication and web gatekeeper role are Specialised and Specific.

Sources: 2009/10 BASS data, CASS preliminary business cases, IM workshop held on 9 September 2011
There is a high level of viability of integrating IM function activities, which will generate significant opportunities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Implementation / Opportunity</th>
<th>Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection Management and Maintenance</td>
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<tr>
<td>Records Management</td>
<td></td>
<td>INCLUDED</td>
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<tr>
<td>Training and Advice</td>
<td></td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Strategy, Planning and Compliance</td>
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</tr>
<tr>
<td>Research and Monitoring</td>
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<td>POSSIBLE</td>
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<tr>
<td>Publications and Web</td>
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</tbody>
</table>

**Summary Assessment - Viability**

**Summary Conclusion**
As an outcome of the IM Function workshop, the team from the Central Agencies agreed that the six activities analysed *could* be included in the Central Agencies Shared Services (CASS). Strategy, Planning and Compliance and Research and Monitoring were identified as areas where risk mitigation actions should be taken to ensure a correct transition.
Overall, the viability of the integration is assessed as Medium. About half of the activities in the IM Function were agreed relatively easy to include by the workshop team.
As the charts on the right show, the service configuration is expected to require around 24 FTEs.

**Opportunities**
- Access model for sharing information across agencies
- Sharing resources
- One consistent process for security clearances
- Align publish resources collections
- Quality of service increase through a larger talent pool
- Time for leaders to focus on strategy
- Reduce key person risks
- Reducing duplication of processes
- Consistent intranet platform to allow content easily
- Overall reduction in costs through use of shared platforms

**Barriers / risks**
- Loss of identity
- Loss of good existing relationships

Sources: 2009/10 BASS data, CASS preliminary business cases, IM workshop held on 9 September 2011
Appendix B4 – IT baseline information
Key IT activities mapped to the processes and sub-activities assessed as part of the baseline review process

<table>
<thead>
<tr>
<th>IT processes and sub-activities</th>
<th>IT function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Strategy</td>
<td>Planning &amp; Strategy</td>
</tr>
<tr>
<td>• IT Business planning</td>
<td>Management &amp; Administration</td>
</tr>
<tr>
<td>• Enterprise Architecture planning</td>
<td>Infrastructure Management</td>
</tr>
<tr>
<td>• Emerging technologies evaluation</td>
<td>Infrastructure Development</td>
</tr>
<tr>
<td>• Quality Assurance</td>
<td>End User Support</td>
</tr>
<tr>
<td>• Risk management</td>
<td>Application Maintenance</td>
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<tr>
<td>Management &amp; Administration</td>
<td>Application Development</td>
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<tr>
<td>• Functional management</td>
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<tr>
<td>• Personnel management</td>
<td></td>
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<tr>
<td>• Policies and procedures oversight</td>
<td></td>
</tr>
<tr>
<td>Infrastructure Management</td>
<td></td>
</tr>
<tr>
<td>• Operations management</td>
<td></td>
</tr>
<tr>
<td>• Security management</td>
<td></td>
</tr>
<tr>
<td>• Disaster recovery management</td>
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</tr>
<tr>
<td>Infrastructure Development</td>
<td></td>
</tr>
<tr>
<td>• Planning</td>
<td></td>
</tr>
<tr>
<td>• Construction</td>
<td></td>
</tr>
<tr>
<td>• Implementation</td>
<td></td>
</tr>
<tr>
<td>End User Support</td>
<td></td>
</tr>
<tr>
<td>• Help Desk</td>
<td></td>
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<tr>
<td>• End user training</td>
<td></td>
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<tr>
<td>Application Maintenance</td>
<td></td>
</tr>
<tr>
<td>• Application Support</td>
<td></td>
</tr>
<tr>
<td>• Enhancement delivery</td>
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</tr>
<tr>
<td>• Upgrade execution</td>
<td></td>
</tr>
<tr>
<td>Application Development</td>
<td></td>
</tr>
<tr>
<td>• Planning</td>
<td></td>
</tr>
<tr>
<td>• Construction</td>
<td></td>
</tr>
<tr>
<td>• Implementation</td>
<td></td>
</tr>
</tbody>
</table>

Commentary on the IT activities

- The IT processes and sub-activities are derived from the 2009/2010 BASS taxonomy and data.
- They cover both strategic and transactional IT activities.
- The IT architectures and activities are reasonably consistent between the three agencies.
- Even though there is a high level of alignment in IT activities across the three Agencies, there is an overriding requirement for the continuation of the strong relationships the various IT functions have built over time with their core customers.
- The development and delivery of IT strategy and planning should be the responsibility of the CASS IT function. However, ownership of the IT strategy and how it will contribute to achieving the overall business strategy should remain with each agency.
- Likewise the development and delivery of IT risk management and quality assurance should be the responsibility of the CASS IT function. However, ownership of these and how they contribute to the overall management of risk should remain with each agency.

Sources: BASS taxonomy, PwC Finance Function Effectiveness methodology
Key IT activities mapped to the processes and sub-activities assessed as part of the baseline review process

Commentary on the IT baseline review

- The numbers of FTE engaged in each of the central agencies, largely reflects the relative size of the individual agencies and the complexity the IT infrastructure.
- The Treasury also develop and support more business applications than the other agencies.
There is a high level of viability of integrating IT function activities, which will generate significant opportunities

Commentary on the assessment of activities to transfer to CASS

- There is a large amount of commonality between the core activities and processes across the agencies. This was especially the case for infrastructure development and management.
- Activities such as planning and strategy need to be closely aligned to the business strategy and risk management. Having these activities distributed in the three agencies, although still part of the central agencies shared services, will ensure the requirements of the individual agencies are maintained through the services delivered. These can converge over time.
- The CASS model provides opportunities to standardise the IT architectures, processes and policies across the central agencies.
- The requirement for continued personal relationship management and specialised knowledge of each Agency customer needs must be integrated successfully into the new function.
- Applications development is a specialised activity, but is reasonably generic across the agencies. Appropriate risk mitigation can be built into the design of the IT function to overcome this issue, and the benefits of integration would outweigh these risks.
Our assessment, supported by the IT workshops, is that in principle all IT activities should be in-scope.

<table>
<thead>
<tr>
<th>Function</th>
<th>Activity</th>
<th>Specificity</th>
<th>Specialisation</th>
<th>FTEs</th>
<th>$</th>
<th>Ease of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Agency</td>
<td>Infrastructure Management</td>
<td>Relatively Generic</td>
<td>Relatively Transactional</td>
<td>4.9</td>
<td>$2,235,537</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Infrastructure Development</td>
<td>Relatively Generic</td>
<td>Relatively Transactional</td>
<td>2.3</td>
<td>$250,558</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td>End User Support</td>
<td>Generic</td>
<td>Transactional</td>
<td>5.1</td>
<td>$499,306</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Application Maintenance</td>
<td>Generic</td>
<td>Relatively Specialised</td>
<td>2.1</td>
<td>$656,033</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Application Development</td>
<td>Generic</td>
<td>Specialised</td>
<td>3.9</td>
<td>$357,781</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Planning &amp; Strategy</td>
<td>Relatively Generic</td>
<td>Relatively Specialised</td>
<td>3.4</td>
<td>$478,618</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td>Management &amp; Admin</td>
<td>Relatively Generic</td>
<td>Relatively Transactional</td>
<td>2.2</td>
<td>$238,335</td>
<td>Low</td>
</tr>
</tbody>
</table>

Summary of Opportunities and Justification of Assessment

**Infrastructure Management:** (IN-SCOPE) All sensitive/restricted systems are IN. The Cab-Office would need separate structure (Still CASS-able)

**Infrastructure Development:** (IN-SCOPE) As in Infrastructure Management. Activities are relatively generic and relatively transactional.

**End User Support:** (IN-SCOPE) Task performed are Generic and Transactional. The integration will bring the best practices from each other and will allow more automated transactions.

**Application Maintenance:** (IN-SCOPE) Career development opportunities and process, tools and knowledge share justify the integration. Risk mitigation should ensure that good relationships and business knowledge are not lost in the transition.

**Application Development:** (IN-SCOPE) As in Application Maintenance.

**Planning & Strategy:** (IN-SCOPE) IT business planning, Enterprise Arch. Planning, and Emerging technologies evaluation are IN-SCOPE. Quality Assurance and Risk Management transition should be analysed in more detail.

**Management & Admin:** (IN-SCOPE) Task are relatively transactional and relatively generic.

Sources: 2009/10 BASS data, CASS preliminary business cases, finance workshop held on 31 August 2011
There is a high level of viability of integrating IT function activities, which will generate significant opportunities

Summary Assessment - Viability

At the end of the IT workshop, all seven activities were agreed to be IN-SCOPE of CASS. For Application Development the risk mitigation actions include ensuring business relationships and knowledge are not lost in the transition. The integration of the Planning & Strategy activities should examine more carefully the transition of the Quality Assurance and the Risk Management tasks.

In general, the viability of the integration is assessed Medium to High as many opportunities were identified by the workshop team with minimum risks and barriers.

As the charts on the right show, the service configuration is expected to require around 21.7 FTEs and represent approximately $4.37 million in annual running costs for the Central Agencies.
Appendix C – Indicative process maps under CASS
Indicative process map explaining potential interaction between agencies and CASS:
1. Finance process: accounts payable

Appendix C – Indicative process maps under CASS

Source: Modified from PwC shared services methodology toolkit
Indicative process map explaining potential interaction between agencies and CASS:
2. Finance process: travel and expense claims

Appendix C – Indicative process maps under CASS

Source: Modified from PwC shared services methodology toolkit
Indicative process map explaining potential interaction between agencies and CASS: 3. Finance process: statutory and regulatory reporting

Appendix C – Indicative process maps under CASS

Source: Modified from PwC shared services methodology toolkit
Indicative process map explaining potential interaction between agencies and CASS: 4. Finance process: statutory and regulatory reporting

Appendix C – Indicative process maps under CASS

Source: Modified from PwC shared services methodology toolkit
Appendix C – Indicative process maps under CASS

Indicative process map explaining potential interaction between agencies and CASS:
5. HR process: specialist recruitment

Option 1
Under option 1, the agency manager specifies the requirements of the recruitment and checks them with the Agency corporate services purchaser.

A meeting is held with the CASS director and CASS HR specialist (who has a deep understanding of the agency) to confirm understanding of the requirements.

The CASS HR specialist oversees and manages the whole process, and ensure the transactional team deliver the required outcomes on time and to the required quality.

The SLA governs outcomes, KPIs, innovation incentives and the payment mechanism.

Option 2
Under option 2, the agency HR manager runs the process and contracts with CASS to provide transactional support during the recruitment process.

The SLA governs transactional KPIs and the payment mechanism only.

Risks with option 2 include:
- Duplication between activities carried out by the agency and CASS
- Arms-length relationship between person managing the process and day-to-day activities carried out by CASS leads to inefficiency and/or loss of potential synergy
- Lack of understanding of Agency detailed requirements by CASS team

Example A: Specialist recruitment

* Activities include shortlisting, setting the interview panel, interview questions and testing, reference checking, candidate care
** Activities include advertising the role, interview arrangements, correspondence, contracts

Managed by SLA
Option 1
Under option 1, the agency CE or SLT specifies the requirements of the change initiative (for example, a cultural development initiative).

A meeting is held with the CASS director and CASS OD specialist (who has high-level OD competency and experience) to confirm understanding of the requirements.

The CASS OD specialist develops a tailored programme with insight and support from the wider CASS team, including the ‘distributed’ CASS person located in the agency.

The agency runs the initiative.

The SLA governs outcomes, KPIs, innovation incentives and the payment mechanism.

Option 2
Under option 2, the agency would run the whole process, with no input from CASS.

Risks with option 2 include:

- Agency not accessing the highly-skilled and experienced OD resource it requires to ensure the success of the initiative – instead relies on HR generalist
- CASS loses strategic context of the agency for future HR activity
- Potential ‘grow-back’ of staff in the agency as culture of ‘doing it ourselves’ develops
Appendix D – Design principles and options analysis
The approved set of design principles address the CASS objectives of minimising risk, delivering better services and leading by example

The nine agreed design principles
The design principles are aligned to the strategic objectives for the project that were agreed by the CASS Governance Group.

Table: Nine agreed design principles with desired outcomes, aligned to the three CASS vision strategic objectives

<table>
<thead>
<tr>
<th>Strategic Objectives</th>
<th>Design Principle</th>
<th>Desired outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading by example by building strong corporate services which will deliver services</td>
<td>Enabling the three central agencies to work more closely together</td>
<td>To integrate corporate services across the three agencies unless there is a compelling reason not to do so</td>
</tr>
<tr>
<td>that exceed the sum of their parts</td>
<td>Providing customer-focused services that deliver benefits</td>
<td>To provide corporate services that meet the needs of internal customers in the three central agencies, with an increased focus on decision-support and other value-adding activities</td>
</tr>
<tr>
<td>Minimising risk through building greater resilience and strengthening capability</td>
<td>Increasing the effectiveness of corporate services processes</td>
<td>To get more out of corporate services processes through greater streamlining, simplification and automation, and by making better use of limited resources (including the enablement of quality accreditation in the future)</td>
</tr>
<tr>
<td></td>
<td>Future-proofing corporate services to stand the test of time</td>
<td>To ensure the future operating model is structured in a way that provides flexibility to meet future demands and pressures, and enables additional services and/or agencies to be added at a later date as required</td>
</tr>
<tr>
<td></td>
<td>Maintaining financially sustainable corporate services</td>
<td>To ensure the overall cost of providing corporate support services remains financially sustainable in the medium term (i.e. the overall cost does not increase across the three agencies)</td>
</tr>
<tr>
<td></td>
<td>Delivering consistent services across the three agencies</td>
<td>To provide a mechanism for ensuring that corporate services are delivered consistently to a single level of services to each agency</td>
</tr>
<tr>
<td>Develop better services, including both improving the capability to innovate, build</td>
<td>Improving the level and quality of services provided</td>
<td>To provide a transparent framework for setting and monitoring expected service levels, to provide clear accountabilities for both service users and providers</td>
</tr>
<tr>
<td>job satisfaction and career development</td>
<td>Delivering continuous improvement</td>
<td>To support a culture within corporate services that encourages improvements in efficiency and effectiveness</td>
</tr>
<tr>
<td></td>
<td>Supporting and growing corporate services people</td>
<td>To provide the training and support required to maximise the potential of corporate services staff</td>
</tr>
</tbody>
</table>
### Analysis of options for future CASS model:
In support of options analysis in section 3

#### Table: Summary assessment of options against the design principles

<table>
<thead>
<tr>
<th>Current state – as reference</th>
<th>Option 1 – Full transfer of activities</th>
<th>Option 2 – Limited transfer of activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0 Future-proof corporate services</td>
<td>4.0</td>
<td>2.5</td>
</tr>
<tr>
<td>3.5 Maintain financially sustainable services</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>1.5 Deliver consistent services</td>
<td>4.5</td>
<td>3.0</td>
</tr>
<tr>
<td>3.0 Improve level and quality of service</td>
<td>4.5</td>
<td>3.5</td>
</tr>
<tr>
<td>3.0 Deliver continuous improvement</td>
<td>4.0</td>
<td>3.5</td>
</tr>
<tr>
<td>3.5 Support and grow corporate services people</td>
<td>4.0</td>
<td>3.0</td>
</tr>
<tr>
<td>2.0 Enable agencies to work together</td>
<td>4.5</td>
<td>3.0</td>
</tr>
<tr>
<td>4.0 Provide customer-focused services</td>
<td>4.0</td>
<td>3.0</td>
</tr>
<tr>
<td>3.0 Increase effectiveness of services</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>25.5 Total score (un-weighted)</strong></td>
<td><strong>38.0</strong></td>
<td><strong>31.5</strong></td>
</tr>
</tbody>
</table>

**Key:**

1 = barely meets; 2 = partially meets; 3 = somewhat meets; 4 = mostly meets; 5 = fully meets
Analysis of options for future CASS structure: In support of options analysis in section 4

Table: Summary assessment of the four options against the nine design principles

<table>
<thead>
<tr>
<th>Current state – as reference</th>
<th>Option 1 – Co-location</th>
<th>Option 2 – New Crown entity</th>
<th>Option 3 – Branded business unit</th>
<th>Option 4 – In-source</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0 Future-proof corporate services</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.0</td>
</tr>
<tr>
<td>3.5 Maintain financially sustainable services</td>
<td>3.5</td>
<td>3.5</td>
<td>4.0</td>
<td>3.5</td>
</tr>
<tr>
<td>1.5 Deliver consistent services</td>
<td>1.5</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>3.0 Improve level and quality of service</td>
<td>3.0</td>
<td>4.5</td>
<td>4.5</td>
<td>3.5</td>
</tr>
<tr>
<td>3.0 Deliver continuous improvement</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.5</td>
</tr>
<tr>
<td>3.5 Support and grow corporate services people</td>
<td>3.5</td>
<td>4.0</td>
<td>4.5</td>
<td>4.0</td>
</tr>
<tr>
<td>2.0 Enable agencies to work together</td>
<td>2.0</td>
<td>2.0</td>
<td>4.5</td>
<td>1.0</td>
</tr>
<tr>
<td>4.0 Provide customer-focused services</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.5</td>
</tr>
<tr>
<td>3.0 Increase effectiveness of services</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>25.5</strong> Total score (un-weighted)</td>
<td><strong>26.5</strong></td>
<td><strong>34.5</strong></td>
<td><strong>38.0</strong></td>
<td><strong>29.5</strong></td>
</tr>
</tbody>
</table>

**Key:**  
1 = barely meets; 2 = partially meets; 3 = somewhat meets; 4 = mostly meets; 5 = fully meets
Appendix E – Elements of the operating model
Description of the detailed elements of the operating model

1. Management model, asset model, service delivery model and transactional model

The **Management Model** defines what key decisions are made, how, where and by who across the business. These decisions are deemed as essential for the success of organisational change.

Creating clarity ensures there are no disconnects, inconsistencies or conflicts between HQ, businesses, functions, divisions and geographies.

Optimising, creating consistency or centralising certain decisions can enhance performance within the organisation.

It is in defining the Management Model that decision making models, such as the DRIVE model (Decision Maker, Recommender, Inputter, Veto, Executer), are often employed.

The **Asset Model** defines the ownership, location and controlling structures for the tangible and intangible assets and associated risks and liabilities across each component of the organisation.

These assets could include:

- people (management and staff);
- fixed assets (owned or leased);
- inventory and stock;
- customer and supplier relationships;
- alliance, JV, distributor, contract manufacturer, franchise relationships;
- intellectual property;
- booking and account structures; and,
- other investments.

The **Service Delivery Model** defines what operational activities are executed where and by whom within the Operating Model.

The activities, defined within the model, outline the day-to-day interactions a company has with its customers, employees and suppliers.

This will include activities that are performed by third parties, for example where the processing of transactions has been outsourced.

The procedures and controls linking these activities are formally defined by the Process Architecture and their execution governed by the policies and guidelines set by the leadership of the business to support the management model it defines.

The **Transactional Model** is an articulation of how the company actually works.

It illustrates business flows and how businesses and functions within an organisation’s Operating Model interact and hand off with one another.

The flows include:

- movements of physical products;
- negotiation and execution of contracts;
- policies and reporting lines;
- order placement and acceptance;
- the transfer of information and data; and,
- commercial flows including internal and external invoicing & cash-flows, inter-company allocations and recharges.
The **Commercial Model** defines where value or profit resides across the organisation and how the business, business partners, customers and suppliers are rewarded.

Reward across the business should be aligned to the contribution being made (decisions taken and risks managed) within each unit. Value can be transferred between units through arms length transactional invoicing (transfer pricing arrangements), profit split and cost allocations (e.g. via costs-to-serve / activity based costing) and service charges.

Reward is allocated to discrete 'units' at all levels, including both profit- and cost-centres, functions, legal entities or offices, or on a regional or geographic basis.

The commercial model also includes any analytical models used to run the business.

The Commercial Model is closely linked to, and directly influences, the choice of tax reward model and Performance Management frameworks.

The **Funding Model** defines the cash and funding structures in place to keep the organisation in business, it includes:

- external and internal funding strategies;
- capital requirements / adequacy and gearing;
- dividend policy;
- investment and hedging strategies;
- liquidity and cash concentration (in-house banking) strategies; and,
- bank account and bank relationship structures.
Description of the detailed elements of the operating model

3. Governance model – a proposed approach to benefits management (1 of 3)

We recommend that a robust benefits management approach is adopted by the CASS programme. It is important that benefits management is commenced at the beginning of the programme, and is developed during the design stage. The following are the key steps to follow in developing and implementing the benefits management approach, aligned to the programme stages:

1. Assess stage
   - Identify and analyse potential benefits opportunities (completed - refer to section 6 of this document).
   - Define the benefits management approach (as described here, with alignment to the SSC PMO Prince II benefits management tools).

2. Design stage
   - Complete the benefits map.
   - Complete benefits profile and baseline.
   - Contribute to programme development for each project work stream.
   - Update through design iterations.

3. Construct and implement stages
   - Manage benefits realisation

The following page describes the design stage steps in greater detail, and is followed by an indicative benefits map for CASS.

---

**BENEFITS MAP**

Link dependent cells using arrows to show how project outputs, enabling changes and business outcomes support the realisation of each benefit and how these contribute to each strategic objective. Link and delete cells as necessary to develop an appropriate Benefit Map. Adverse Impact (Dis-benefit) cells can be found at the bottom of the Intermediate Benefits column and should replace Intermediate Benefit cells where necessary.
Description of the detailed elements of the operating model

3. Governance model – a proposed approach to benefits management (2 of 3)

The figure below provides an overview of the key steps we recommend following during the design stage.
Appendix D – Elements of the operating model

Description of the detailed elements of the operating model
3. Governance model – a proposed approach to benefits management (3 of 3)

The figure below provides an indicative benefits map for CASS, aligned to the three overarching objectives from the CASS vision.
Appendix F – Stakeholder groups by agency
## Stakeholder analysis by agency

### 1. DPMC

<table>
<thead>
<tr>
<th>Agency</th>
<th>Influencers</th>
<th>Internal impacted</th>
<th>Internal customers</th>
<th>Internal enablers</th>
</tr>
</thead>
</table>
| Department of the Prime Minister and Cabinet | ● Prime Minister  
 ● Cabinet  
 ● Chief Executive  
 ● Secretary of the Cabinet  
 ● Director Policy Advisory Group  
 ● Manager Corporate Services  
 ● Director National Assessments Bureau  
 ● Director Security and Risk Group  
 ● Director Intelligence Co-ordination Group | ● Manager Corporate Services  
 Team leaders and staff for the following business units:  
 Corporate Services Unit | ● Executive Assistants  
 ● Official Secretary Government House  
 ● Managers, Team Leaders and staff for the following business units:  
 Secretary of the Cabinet/Clerk of the Executive Council | ● Manager Corporate Services  
 Team leaders and staff for the following business units:  
 - Corporate Services Unit  
 - Union - delegates  
 - Policy Advisory Group  
 - National Assessments Bureau  
 - Security and Risk Group  
 - Intelligence Co-ordination Group  
 ● IT Vendors / suppliers (if applicable) |
## Stakeholder analysis by agency

### 2. SSC

<table>
<thead>
<tr>
<th>Agency</th>
<th>Influencers</th>
<th>Internal impacted</th>
<th>Internal customers</th>
<th>Internal enablers</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Services Commission</td>
<td>• Minister of State Services</td>
<td>• Chief Financial Officer</td>
<td>• Managers, Team Leaders and staff for the following services in the Organisational Performance Group:</td>
<td>• Chief Financial Officer</td>
</tr>
<tr>
<td></td>
<td>• State Services Commissioner</td>
<td>• Manager People &amp; Development</td>
<td></td>
<td>• Chief Legal Advisor</td>
</tr>
<tr>
<td></td>
<td>• Deputy State Services Commissioner</td>
<td>• Manager Communications &amp; Records Management</td>
<td></td>
<td>• Manager People &amp; Development</td>
</tr>
<tr>
<td></td>
<td>• Chief Legal Advisor</td>
<td>• Managers, Team Leaders and staff for the following services in the Organisational Performance Group:</td>
<td></td>
<td>• Manager Communications &amp; Records Management</td>
</tr>
<tr>
<td></td>
<td>• Deputy Commissioner, State Sector Performance</td>
<td>• Financial services</td>
<td></td>
<td>• Managers, Team Leaders and staff of the Organisational Performance Group:</td>
</tr>
<tr>
<td></td>
<td>• Deputy Commissioners, CE &amp; Agency Performance</td>
<td>• IT services</td>
<td></td>
<td>• Union - delegates</td>
</tr>
<tr>
<td></td>
<td>• Chief Financial Officer</td>
<td>• Human Resource services (L&amp;D, recruitment, payroll, general HR)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Manager, People &amp; Development</td>
<td>• Record management services</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Manager, Communications and Records Management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Stakeholder analysis by agency

### 3. Treasury

<table>
<thead>
<tr>
<th>Agency</th>
<th>Influencers</th>
<th>Internal impacted</th>
<th>Internal customers</th>
<th>Internal enablers</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Treasury</td>
<td>● Minister of Finance</td>
<td>● Deputy Secretary – Strategy, Change and Performance</td>
<td>● Executive assistants</td>
<td>● Managers, Team Leaders and staff for the following business units:</td>
</tr>
<tr>
<td></td>
<td>● Chief Executive</td>
<td>● Chief Financial Officer</td>
<td>● Chief Economist</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Deputy Chief Executives</td>
<td>● Deputy Secretary – Financial Operations</td>
<td>● Managers, Team Leaders and staff for the following business units:</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Executive Director - National Infrastructure Unit</td>
<td>● Deputy Secretary – Strategy, Change and Performance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Deputy Secretary – Financial Operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Deputy Secretary – Strategy, Change and Performance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Chief Financial Officer</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● General Manager – Crown Ownership and State Sector Performance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Deputy Secretary – Sector Performance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Deputy Secretary – Macroeconomic &amp; Fiscal Environment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● Deputy Secretary – Business Environment, People and Skills</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>● IT Vendors / suppliers (if applicable)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

- Human Resources
- Knowledge Infrastructure
- Finance
- Business support
- Communications
- Legal
- Facilities and Administration
- Union - delegates
Appendix G – Voice of the customer feedback
Voice of the customer feedback

1. DPMC

What characteristics of our Finance, HR, IM and IT functions must we keep to ensure the appropriate levels of service is maintained by CASS?

**Finance**
- Reliable payroll data
- Continuing the AP/AR service
- Accessibility and knowledge
- Financial information is no less than what we get currently

**HR**
- Quick friendly and personal service
- Kiosk and self service tools
- Running the recruitment process

**IM**
- Access to the parliamentary library
- Dedicated OIA resource
- Specialist public affairs
- Access to Pipitea public libraries

**IT**
- Friendly staff who know our business
- Staff who understand urgencies
- Maintaining the current level of staff clearances

And what are future opportunities for our agencies looking forward over the next 3 – 5 years?

**Finance**
- Commentary and trend analysis with explanations of variance
- Visibility and transparency of finances, esp budget reforecasting
- A strategic approach to capital budgeting and expenditure

**HR**
- Leveraging opportunities across the three agencies
- Knowledge sharing and simple processes to allow staff moving around
- Structure around training
- Knowledge of what is happening across public sector and applying it
- Ability to access deeper specialism

**IM**
- Increased access to libraries and targeted research
- OIA depth of knowledge with a dedicated resource
- Strategic approach to upgrade the website
- Dedicated resource to look after and manage the hardcopy files in the agencies
- Timeliness in setting up files

**IT**
- Increased availability of a helpdesk function with an after hours service
- Improved compatibility of IT tools and systems
- Investing in innovation
- Communication enablers and mobility tools
Voice of the customer feedback

2. SSC

<table>
<thead>
<tr>
<th>Finance</th>
<th>HR</th>
<th>IM</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding of our business</td>
<td>Understanding of our business</td>
<td>Understanding of our business</td>
<td>Understanding of our business</td>
</tr>
<tr>
<td>Regular fortnightly meetings to keep us on target</td>
<td>Training standards and courses – availability, encouragement to attend, short, relevant</td>
<td>Fast response and turnaround time</td>
<td>Ability to handle complicated queries</td>
</tr>
<tr>
<td>Dedicated financial accountant for SSC</td>
<td>Personal knowledge of the people they work with</td>
<td>Knowledge and institutional history</td>
<td>Fast response</td>
</tr>
<tr>
<td>Consistency and accessibility; fast and personal service</td>
<td>High ability to retrieve required information</td>
<td>High ability to retrieve required information</td>
<td>Onsite availability</td>
</tr>
<tr>
<td>To be able handle complicated queries</td>
<td></td>
<td></td>
<td>Reliability of software and hardware</td>
</tr>
</tbody>
</table>

And what are future opportunities for our agencies looking forward over the next 3 – 5 years?

<table>
<thead>
<tr>
<th>Finance</th>
<th>HR</th>
<th>IM</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility and visibility of budgets</td>
<td>Improved quality control around recruitment</td>
<td>Contact person for recruitment with good knowledge of the jobs and skills required</td>
<td>Improved quality control around recruitment</td>
</tr>
<tr>
<td>Having more detailed cost centres</td>
<td>Having more detailed cost centres</td>
<td>The process should not be person dependant</td>
<td>The process should not be person dependant</td>
</tr>
<tr>
<td>Improved accessibility to necessary and relevant data</td>
<td>Improved accessibility to necessary and relevant data</td>
<td>More intuitive file structure in RDMS</td>
<td>More intuitive file structure in RDMS</td>
</tr>
<tr>
<td>Consistent email systems – lotus notes and MS Outlook</td>
<td>Consistent email systems – lotus notes and MS Outlook</td>
<td>Improved accessibility to necessary and relevant data</td>
<td>Improved accessibility to necessary and relevant data</td>
</tr>
<tr>
<td>Faster problem solving process</td>
<td>Faster problem solving process</td>
<td>Shared information across the three agencies</td>
<td>Shared information across the three agencies</td>
</tr>
<tr>
<td>IT infrastructure to enable us to do out work – eg. printers</td>
<td>IT infrastructure to enable us to do out work – eg. printers</td>
<td>Streamlined and simplified process for decision making</td>
<td>Streamlined and simplified process for decision making</td>
</tr>
<tr>
<td>Reliability and timeliness</td>
<td>Reliability and timeliness</td>
<td>Reliability and timeliness</td>
<td>Reliability and timeliness</td>
</tr>
<tr>
<td>Improved customer service</td>
<td>Improved customer service</td>
<td>Continuous improvement mindset</td>
<td>Continuous improvement mindset</td>
</tr>
</tbody>
</table>
Voice of the customer feedback

3. Treasury

What characteristics of our Finance, HR, IM and IT functions must we keep to ensure the appropriate levels of service is maintained by CASS?

- **Finance**
  - Understanding of our business
  - Some good key roles service

- **HR**
  - Understanding of our business
  - Some good key roles service

- **IM**
  - Understanding of our business
  - Document storage

- **IT**
  - Understanding of our business
  - Good levels of service
  - Internet is OK
  - Developers & programmers

And what are future opportunities for our agencies looking forward over the next 3 – 5 years?

- **Finance**
  - Consistency of service: less key person dependence
  - Timely bills / expense payments
  - Better reporting
  - Easy access and timely Portfolio Budget information

- **HR**
  - Consistency of service: less key person dependence
  - Managers doing more strategic & planning work
  - HR initiative: Less and better articulated to the business needs

- **IM**
  - Update technology
  - Consistency of service: less key person dependence
  - Better access to Cabinet minutes
  - Easier access to Information Management

- **IT**
  - Consistency of service: less key person dependence
  - Intranet better aligned to business /customers needs
  - More accessible / user-friendly website
  - Afterhours Helpdesk
Appendix H – Governance and management models – preferred option
Organisation structure

All activities included in CASS

[Diagram of organisational structure with roles and lines indicating reporting relationships]

<table>
<thead>
<tr>
<th>Function</th>
<th>Current FTE levels</th>
<th>BASS benchmark ratios</th>
<th>Proposed FTE level</th>
<th>Decided FTE level</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASS Governance</td>
<td>0</td>
<td>--</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Finance</td>
<td>17.8</td>
<td>14.5 (median ratio 1 : 40)</td>
<td>13.2</td>
<td>17.5 (2 fixed term)</td>
</tr>
<tr>
<td>HR</td>
<td>16.9</td>
<td>9.6 (median ratio 1 : 59)</td>
<td>14.2</td>
<td>15.5 (3 fixed term)</td>
</tr>
<tr>
<td>IM</td>
<td>23.7</td>
<td>No BASS data available</td>
<td>12.2</td>
<td>42.5 (8 fixed term)</td>
</tr>
<tr>
<td>IT</td>
<td>24.1</td>
<td>27 (median ratio 1 : 20)</td>
<td>19.9</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>82.2</td>
<td>--</td>
<td>59.5</td>
<td>78.5 (13 fixed term)</td>
</tr>
</tbody>
</table>
Finance – current state

<table>
<thead>
<tr>
<th>Agency</th>
<th>Current FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Treasury</td>
<td>8</td>
</tr>
<tr>
<td>State Services Commission</td>
<td>7</td>
</tr>
<tr>
<td>Department of the Prime Minister and Cabinet</td>
<td>2.75</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17.75</td>
</tr>
</tbody>
</table>
Finance – future state in CASS

<table>
<thead>
<tr>
<th>Function</th>
<th>Current FTE levels</th>
<th>BASS benchmark ratios</th>
<th>Proposed FTE level</th>
<th>Decided FTE level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>17.8</td>
<td>14.5 (median ratio 1 : 40)</td>
<td>13.2</td>
<td>17.5 (2 fixed term)</td>
</tr>
</tbody>
</table>
HR – current state

### Agency

<table>
<thead>
<tr>
<th>Agency</th>
<th>Current FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Treasury</td>
<td>9.4</td>
</tr>
<tr>
<td>State Services Commission</td>
<td>5.3</td>
</tr>
<tr>
<td>Department of the Prime Minister and Cabinet</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16.9</strong></td>
</tr>
</tbody>
</table>

**Central Agencies**

**SHARED SERVICES**

**DRAFT IN CONFIDENCE**
HR – future state in CASS

<table>
<thead>
<tr>
<th>Function</th>
<th>Current FTE levels</th>
<th>BASS benchmark ratios</th>
<th>Proposed FTE level</th>
<th>Decided FTE level</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>16.9</td>
<td>9.6 (median ratio 1 : 59)</td>
<td>14.2</td>
<td>15.5 (3 fixed term)</td>
</tr>
</tbody>
</table>

All activities included
IM – current state

**Agency** | **Current FTEs**
--- | ---
The Treasury | 15.8
State Services Commission | 7
Department of the Prime Minister and Cabinet | 0.7
**TOTAL** | **23.5**
IT – current state

**Agency** | **Current FTEs**
--- | ---
The Treasury | 13.9
State Services Commission | 6.5
Department of the Prime Minister and Cabinet | 3.7
**TOTAL** | **24.1**
IT and IM – future state in CASS

<table>
<thead>
<tr>
<th>Function</th>
<th>Current FTE levels</th>
<th>BASS benchmark ratios</th>
<th>Proposed FTE level</th>
<th>Decided FTE level</th>
</tr>
</thead>
<tbody>
<tr>
<td>IM</td>
<td>23.7</td>
<td>No BASS data available</td>
<td>12.2</td>
<td>42.5 (8 fixed term)</td>
</tr>
<tr>
<td>IT</td>
<td>24.1</td>
<td>27 (median ratio 1 : 20)</td>
<td>19.9</td>
<td></td>
</tr>
</tbody>
</table>

All activities included

Central Agencies
SHARED SERVICES
Treasury - residual future structure

Chief Executive
Deputy Chief Executive

Chief Financial Officer / Chief Accountant
Director CASS
Deputy Secretary – Strategy, Change & Performance
Deputy Secretary – Growth & Public Services
Deputy Secretary – Infrastructure, Public Services / EDNIU, & Sector Performance
Deputy Secretary – Commercial Transactions Group
Deputy Secretary – Macro

Better Admin & Support Services Team
Finance Manager
HR Manager
Chief Information & Technology Officer

Comms
Legal
Office of the Executive
Ministerial Advisory Services
Facilities & Admin
Business Support & OE

General Manager – COMU

Deputy Secretary – Financial Operations

All activities included

* Detailed budget information not yet provided

Central Agencies
SHARED SERVICES

DRAFT IN CONFIDENCE

THE TREASURY
Kaituhاتا Kupuha Rawa
SSC— residual future state

- State Services Commissioner
  - Deputy Chief Executive—Organisational Strategy & Performance (Acting)
    - Manager Support Services
    - Facilities Advisor
    - Executive Assistants (12)
    - Team Coordinators (5)
    - Personal Assistant to Commissioner
    - Casual Wage Workers (2)
    - Senior Comms Advisors (2)
    - Comms Advisor PIF (Fixed Term)
DPMC – residual future state

Chief Executive

Director – Intelligence Coordination Group
Secretary of the Cabinet & Clerk of the Executive Council
Director – Policy Advisory Group
Director – Security & Risk Group
Director – National Assessments Bureau

Operations Coordinator

Admin & Delivery Support Team Leader
Admin & Delivery Support (3)
Assumptions /Caveats

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- DPMC IM FTEs are those represented in Corporate Services only.
- Ratios are conservative - total future organisation FTEs have not been adjusted for proposed FTE reductions.
- Calculations based on changes in Corporate Services only - assume the rest of the organisation remains static.
- IM have not been calculated as IM benchmarks are not available from current BASS data.

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Appendix I – Proposed governance and management models – alternative option (draft)
Organisation structure for discussion

Transactional functions only move to CASS

<table>
<thead>
<tr>
<th>Function</th>
<th>Current FTE Levels</th>
<th>Proposed FTE level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Processing Unit</td>
<td>0</td>
<td>7.3</td>
</tr>
<tr>
<td>Finance</td>
<td>17.75</td>
<td>0</td>
</tr>
<tr>
<td>HR</td>
<td>16.9</td>
<td>0</td>
</tr>
<tr>
<td>IM</td>
<td>23.7</td>
<td>19.3</td>
</tr>
<tr>
<td>IT</td>
<td>24.1</td>
<td>22.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>82.45</td>
<td>49</td>
</tr>
</tbody>
</table>

Note: Director CASS, EA and BA FTE split proportionately over the four functions above. See Costing Analysis for further detail.
Finance – current state

Agency

<table>
<thead>
<tr>
<th>Agency</th>
<th>Current FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Treasury</td>
<td>8</td>
</tr>
<tr>
<td>State Services Commission</td>
<td>7</td>
</tr>
<tr>
<td>Department of the Prime Minister and Cabinet</td>
<td>2.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17.7</td>
</tr>
</tbody>
</table>

Transactional functions
HR — current state

Transaction functions

Central Agencies

**Agency** | **Current FTEs**
--- | ---
The Treasury | 9.4
State Services Commission | 5.3
Department of the Prime Minister and Cabinet | 2.2
**TOTAL** | **16.9**
Transaction Processing Unit – future state in CASS

<table>
<thead>
<tr>
<th>Function</th>
<th>Current FTE Levels</th>
<th>Proposed FTE level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Processing Unit</td>
<td>NA</td>
<td>7</td>
</tr>
</tbody>
</table>

Transactional functions

Central Agencies

DRAFT IN CONFIDENCE
**IM – current state**

**Central Agencies**

**Shared Services**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Current FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Treasury</td>
<td>15.8</td>
</tr>
<tr>
<td>State Services Commission</td>
<td>7</td>
</tr>
<tr>
<td>Department of the Prime Minister and Cabinet</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>23.7</strong></td>
</tr>
</tbody>
</table>
IM — future state in CASS

Function | Current FTE Levels | Proposed FTE level
--- | --- | ---
IM | 23.5 | 19.4
IT – current state

Agency | Current FTEs
--- | ---
The Treasury | 13.9
State Services Commission | 6.5
Department of the Prime Minister and Cabinet | 3.7
**TOTAL** | **24.1**
Treasury - residual future structure

<table>
<thead>
<tr>
<th>Role</th>
<th>Proposal</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Financial Officer / Chief Accountant</td>
<td>Disestablished</td>
<td>• Reduction of 29.7 FTE (out of 60.3 current)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Change in budget responsibilities of $3,468,256 to $1,125,629</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Chief Information Officer - Knowledge and Infrastructure moves to CASS</td>
</tr>
<tr>
<td>Crown Accountant</td>
<td>Proposed New Role</td>
<td>• Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Crown Accounts Team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Business Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Better Admin &amp; Support Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Performance Improvement team</td>
</tr>
<tr>
<td>Deputy Secretary – Strategy, Change and Performance</td>
<td>Disestablished</td>
<td>• Addition of CASS function – proposed 49 FTE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Possible reduction of 2 FTE from HR (out of 78.75 current) from payroll</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Current budget responsibilities increase by total CASS allocation*</td>
</tr>
<tr>
<td>Deputy Secretary – CASS &amp; Operations</td>
<td>Proposed New Role</td>
<td>• Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Crown Accounts Team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Business Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Better Admin &amp; Support Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Performance Improvement team</td>
</tr>
<tr>
<td>Manager CASS</td>
<td>Proposed New Role</td>
<td>• Reporting to DS – CASS &amp; Operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• All functions within the new CASS business unit</td>
</tr>
</tbody>
</table>

* Detailed budget information not yet provided

Transactionsal functions

Central Agencies

SHARED SERVICES

DRAFT IN CONFIDENCE
Deputy Chief Executive – Organisational Strategy & Performance (Acting)

Manager People & Development
- Senior Advisor L & D (Vacant)
- Senior Comms Advisors (2)
- Comms Advisor PIF (Fixed Term)
- Internal Recruitment Consultant (Vacant)
- HR Advisor Payroll
- HR Administrator
- Senior HR Advisor

CFO (Fixed Term ?)
- Financial Accounting Team Leader
- Accountant (Seconded)
- Assistant Financial Accountant (2)
- Finance Officer

Role | Proposal | Rationale
--- | --- | ---
Deputy Chief Executive Organisational Strategy & Performance (Acting) | Recently created role for transition Disestablished? | • Role is designed to facilitate transition process associated with this change • 52 staff, 3 direct reports
Chief Financial Officer | Unchanged | • Fixed term (?) • 6 staff – possible reduction of 1-2 FTE move to CASS • Accounts Payable and Accounts Receivable functions move to CASS
Manager People & Development | Changed | • Reduction in FTE by 6.5 from 34 • Change in budget responsibilities from $6,426,000 to $5,342,00 with IT moving to CASS. Possible 1 FTE reduction from HR Payroll with budget reduction impact of circa $50,000. • Communications functions added • IT function moves to CASS • Payroll moves to CASS
Manager, Comms & Records Management | Disestablish | • Change in FTE 9 to 3 • Change in budget responsibilities of X to Y* • Information Management function moves to CASS • Internet and Wed functions move to CASS

* Detailed budget information not yet provided
## Role Proposal Rationale

<table>
<thead>
<tr>
<th>Role</th>
<th>Proposal</th>
<th>Rationale</th>
</tr>
</thead>
</table>
| Corporate Services Manager | Unchanged | • Change in FTE of 15.3 to 10.3  
• Possible reduction of 1 further FTE to CASS TPU  
• Change in budget responsibilities of X to Y  
• Payroll, IT and IM move to CASS |

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Appendix K – Further implementation guidance
Appendix I – Indicative high level plan for the next stage

An indicative “roadmap” illustrating the timing and interrelationship of key activities by work stream

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree vision &amp; case for change</td>
<td>Develop Business Case</td>
<td>Continue leadership engagement</td>
</tr>
<tr>
<td>Align supporting HR programs, policies &amp; processes</td>
<td>Assess current org structure &amp; roles</td>
<td>Manage leadership action plans</td>
</tr>
<tr>
<td>Develop conceptual design of CASS org structure</td>
<td>Agree design principles</td>
<td>Develop Workforce Transition Strategy &amp; Plan (e.g. staff redeployment, incentive &amp; retention program)</td>
</tr>
<tr>
<td>Identify stakeholders</td>
<td>Identify in scope activities; develop conceptual CASS operating model</td>
<td>Communicate, align &amp; prepare wider stakeholders</td>
</tr>
<tr>
<td><strong>Structure &amp; People</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree location</td>
<td>Identify current &amp; target profiles for CASS, Governance, Finance, HR, IM and IT</td>
<td>Develop staff redeployment activities &amp; prepare for transition</td>
</tr>
<tr>
<td>Identify technology &amp; system requirements</td>
<td>Develop high level requirements</td>
<td>Develop induction &amp; training material</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td></td>
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<tr>
<td><strong>Facilities</strong></td>
<td></td>
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<tr>
<td><strong>Technology</strong></td>
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</tbody>
</table>
Example activities for a work stream –
Indicative roadmap for the IT work stream (1 of 2)

In a business transformation, we work through a systematic “roadmap” from business needs to solution plan – the “strategy”, “architecture” and “design” layers of the diagram below.
Example activities for a work stream –
Indicative roadmap for the IT work stream (2 of 2)

- The approach to be taken will depend upon the drivers for change, balanced against the appetite for risk.
- To increase the likelihood of success, the technical architecture and design should be align with the design principles for strategic objectives and vision for success for CASS.
- Failure to do this increases the risk of failure and opportunity costs as a result of the misalignment between the capabilities of CASS and its objectives.
- Where necessary there is an opportunity to ‘fast-track’ certain elements of the design, however this does increase the likelihood that re-work will have to be undertaken in the future.
- For the CASS project, risk of failure needs to be very carefully managed due to the high-level potential impact on core agency activities – we do not recommend fast-tracking design elements for this work stream, therefore.
Appendix L – Potential benefits by functional area
Other benefits of the programme will be substantial

Indicative opportunities – the finance function

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Planning &amp; Management</th>
<th>Revenue Accounting &amp; Reporting</th>
<th>General Accounting &amp; Reporting</th>
<th>Fixed Asset Project</th>
<th>Accounts Payable &amp; Expenses</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Processing Activities</td>
<td>Use economies of scale to reduce transactional processes</td>
<td></td>
<td></td>
<td></td>
<td>Opportunity to use new technologies, e.g. workflow for AP</td>
<td>Wider use of purchase cards to improve procurement</td>
</tr>
<tr>
<td>Compliance and control activities</td>
<td>Streamlined consistent reporting throughout State Sector</td>
<td>Standardisation / Improved efficiency of GST Reporting</td>
<td></td>
<td></td>
<td>Streamlined more flexible AP processing</td>
<td></td>
</tr>
<tr>
<td>People issues</td>
<td>Long Term strategic planning for capital</td>
<td>Larger team, more skills, less work for smaller teams</td>
<td>Learn from other Agency Staff e.g. to improve processes / do something different / new opportunities</td>
<td></td>
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</tr>
<tr>
<td>Process issues</td>
<td>Improve cash flow forecasting</td>
<td>All on the same system so economies of scale for reporting,</td>
<td>Make departmental monthly BU reporting consistent, Standardised process - efficient</td>
<td></td>
<td>AP invoice approvals + payment</td>
<td></td>
</tr>
<tr>
<td>Technology issues</td>
<td>Improved estimates</td>
<td></td>
<td></td>
<td>More people know how to use FMIS. More resilience</td>
<td></td>
<td>Leverage of best tools of systems utilised in each agency</td>
</tr>
</tbody>
</table>
Other benefits of the programme will be substantial
Indicative opportunities – the HR function

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Planning &amp; Strategy</th>
<th>Recruitment &amp; Selection</th>
<th>Rewards &amp; Retain</th>
<th>Develop &amp; Counsel</th>
<th>Manage Information</th>
<th>Redeploy &amp; Retire</th>
<th>Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transactional Processing Activities</strong></td>
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<td></td>
<td></td>
<td>Soft induction process</td>
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<td>One HRIS</td>
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<td>HR metrics</td>
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<td>One payroll</td>
<td>SSC</td>
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<tr>
<td><strong>Compliance and control activities</strong></td>
<td></td>
<td>Polices for decision making</td>
<td>General recruitment</td>
<td></td>
<td>Online tools to inform, support managers and staff</td>
<td>HR metrics</td>
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<td></td>
<td>Process tracking</td>
<td>DPMC</td>
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<tr>
<td><strong>People issues</strong></td>
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<td>Succession planning</td>
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<td><strong>Process issues</strong></td>
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<td></td>
<td>Getting the best out of the payroll system</td>
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</tr>
<tr>
<td><strong>Technology issues</strong></td>
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<td></td>
<td></td>
<td>One HRIS for payroll, recruitment, reporting, etc</td>
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</tr>
</tbody>
</table>

Section 6 – Benefits, costs and risks of the proposed option
Other benefits of the programme will be substantial
Indicative opportunities – the IM function

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Collection Management and Maintenance</th>
<th>Records Management</th>
<th>Training and Advice</th>
<th>Strategy, Planning and Compliance</th>
<th>Research and Monitoring</th>
<th>Publications and Web</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business needs</td>
<td>Align collections</td>
<td>Shared record keeping process</td>
<td>Consistent process for security clearance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>People issues</td>
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<td>People issues</td>
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<tr>
<td>Process issues</td>
<td>Consistent document classification</td>
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<td></td>
<td>Shared publishing will lessen issues for backup</td>
</tr>
<tr>
<td>Technology issues</td>
<td>Shared departmental records</td>
<td></td>
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<tr>
<td>Technology issues</td>
<td>Leverage RM skills</td>
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<tr>
<td>Technology issues</td>
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</tbody>
</table>

Sharing information across agencies
Sharing resources

Variety of work, professional development
Sharing resources, reduce key person risks

Streamlined policies and procedures across the agencies

Leverage RM skills
Find a good content management system for websites and intranet
Better platform for public - facing websites

Leverage of other’s “best practices” high quality systems. Reduction of costs through use of shared platforms
Other benefits of the programme will be substantial
Indicative opportunities – the IT function

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Infrastructure Management</th>
<th>Infrastructure Development</th>
<th>End user Support</th>
<th>Application Maintenance</th>
<th>Application Development</th>
<th>Planning &amp; Strategy</th>
<th>Management &amp; Admin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
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<tr>
<td>Process</td>
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<td>People</td>
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<td>Technology</td>
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<tr>
<td>Routine / BAU</td>
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<td>Other</td>
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</tr>
</tbody>
</table>

- **Opportunities**
  - Streamline processes, reduce duplication, redundancy, improve quality and consistency
  - Better processes & ways of serving business
  - More formal process management
  - Cross-agency training and skills share
  - Better problem management

- **Process**
  - Reduce key person risks
  - Streamline processes, reduce duplication, redundancy, improve quality and consistency

- **People**
  - Learn from each other
  - Larger team, more coverage, reduce key person risks, flexibility to take leave
  - More specialists in areas of expertise

- **Technology**
  - Reduce holding costs
  - Replace kit
  - More flexible environment & faster development & implementation
  - Greater purchasing power

- **Routine / BAU**
  - Free up time for specialists
  - Better ITSM processes

- **Other**
  - No one-man-band operations
  - Cross-agency training and skills share

**Other benefits of the programme will be substantial**

**Indicative opportunities – the IT function**

**Section 6 – Benefits, costs and risks of the proposed option**

**Central Agencies**

**SHARED SERVICES**

**DEPARTMENT of the PRIME MINISTER and COUNTRY**

**THE TREASURY**

**Safeguarding our Country and its citizens**

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