Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1] 9(2)(a) - to protect the privacy of natural persons, including deceased people

[2] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

[3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.
CASS
CENTRAL AGENCIES SHARED SERVICES

CASS Baseline Business Plan

Authors: CASS Management Team

April 2013
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1 Purpose and Context of the Plan

1.1 Purpose

This document forms the first part of a three step approach to determine the future direction for CASS. The three steps are:

1. **Document the CASS base plan, covers the existing functions and Agencies and sets out plans for the next 1-3 years;**
2. Review other corporate service functions of the three Central Agencies to see if they should be migrated into the CASS model, and
3. Review the longer term operating model, including relationships with other agencies, alternative Shared Service models, level of commerciality and so on.

This document is targeted at managers and staff in the Agencies and the CASS team.

The purpose is to:

- Clearly articulate the improvement journey that CASS is on
- Set expectations of when changes and benefits are expected to be realised. This will feed into each Agencies medium to long term planning
- Be a baseline against which future CASS scoping decisions can be made

1.2 Context

CASS opened its doors on 7 March 2012 after a prolonged gestation. The structural change for CASS had been implemented but it was clear much more work was needed before the full benefits of the Shared Services model could be realised. A three phased approach was chosen. This paper is a result of the “Establish medium term direction” activity in the Transition phase.
2 Current Status overview

2.1 Original Intentions

The key benefits that CASS was expected to deliver (derived from the business case) can be summarised as:

- **Improve effectiveness of the functions.** Have the scale to provide both specialist expertise and capacity for innovation and improvement. This enables implementing more effective processes and the ability to provide more strategic support to the Agencies.

- **Improve the efficiency of the functions.** Eliminate wasted effort and cost through standardization, removing double handling, by getting processes right the first time, and automating repetitive low value tasks. Eliminate unnecessary inconsistencies of policy, process and systems across the agencies.

- **Reduce risk** and build a more resilient operation. This covers key person, system, network and information risk.

- **Foster collaboration** between the central agencies.

- **Provide staff with better career opportunities** and job satisfaction.

- **Demonstrate Leadership for the state sector.** Capture and share lessons on shared service implementation. Potentially provide a platform for additional agencies.

Specific benefit targets in the business case were limited to financial ones. In the original business case any savings in FY12/13 got reinvested into delivering improvement and the annualised savings ($1.6m) would be realised from FY13/14. During the establishment of the CASS Development programme (May-July 2012) the Executive were presented with options that traded off investment in improvements against timing of benefit realisation. They chose an option that delivered the following savings in CASS running costs:

<table>
<thead>
<tr>
<th>Running cost of CASS</th>
<th>Pre- CASS</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>When CASS fully embedded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$10,750k (*)</td>
<td>$10,554k</td>
<td>$9,654k</td>
<td>$9,154k</td>
</tr>
<tr>
<td>Incremental saving</td>
<td>$200k (*)</td>
<td>$900k (**)</td>
<td>$500k</td>
<td></td>
</tr>
<tr>
<td>Accumulated annual saving</td>
<td>$200k</td>
<td>$1,100k</td>
<td>$1,600k</td>
<td></td>
</tr>
</tbody>
</table>

(*) This is a best guess estimate, the calculations in the business case had a different set of scope inclusions and it has proven challenging to make a true apples to apples comparison.

(**) $900k comes from releasing 9 Fixed Term staff [2]
2.2 Progress

In the months since CASS was established, significant progress has been made:

1. Establishment phase complete:
   ✓ Initial staffing vacancies filled
   ✓ Foundational agreements and governance mechanisms in place
   ✓ A thorough assessment of capability completed

2. Transition progressing:
   ✓ Year 1 development programme established, funded and well through execution
   ✓ “Road to Green” maturity model framework used to describe capability improvement journey for each agency

3. Operational Progress:
   ✓ Key operational outputs achieved (e.g. financial reporting, HR performance assessment rounds etc)
   ✓ Operational stability achieved
   ✓ Considerable operational workload has been managed

Benefit progress

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Improve Effectiveness | Specialist OD, System Accountant, IT security support, strategic advice, IM support available to all 3 agencies (was not there for all Agencies pre-CASS).  
                      | Implemented Prioritisation framework for IT initiatives.                                                                                    
                      | Implemented IT risk assessment.                                                                                                          
                      | More timely and actionable finance advice                                                                                                 |
| Improve Efficiency | Efficiency improvements delivered include:                                                                                               
                      | ✓ Payroll                                                                                                                                
                      | ✓ Finance Forecasting and month end processes                                                                                             
                      | ✓ Automation of some IT support functions                                                                                                 
                      | ✓ Policy & process standardisation                                                                                                       |
| Reduce Risk       | Reduced Key Person risk through cross training and standardisation.                                                                        
                      | Expertise for consultation (e.g. on Tax, Public Accounting)                                                                              
                      | CTIO able to respond quickly to GCIO requests                                                                                             
                      | Reduced system failure risk.                                                                                                             
                      | Boosted network resiliency.                                                                                                              
                      | Reduced security risk                                                                                                                   |
| Foster Collaboration | Many inter-agency forums and workshops.                                                                                                
                      | Rolled out Central Agency induction.                                                                                                      |
Compatible environments (SSC staff can work at Treasury premises and vice versa).

Combining similar initiatives for 2 or 3 Agencies

Staff Development

Emerging benefit. Some staff are experiencing opportunities they didn’t have in previous roles.

Demonstrate Leadership

Prepared and widely circulated Lessons Learnt paper (on the establishment of CASS).

Presented to ER Network, Corporate Services Network, Public Sector Corporate services conference.

One on one consults with Culture agencies, Defence, Transport, Tertiary Institutions and many others.

2.3 Operational Measurement and Trends

Measurement of our operations is still a work in progress, getting better at this is a key requirement for the next 12 months. The following is a quick snapshot of the measures we do have:

Calls to the IT service Desk shows an overall downwards trend.

![FULL YEAR REPORT](image)

*All Service Request received during 2012 by Agency (per month) (incl Grand Total)*

We have a richer set of process measures for finance:

<table>
<thead>
<tr>
<th>Month-end Processes</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month end close on time</td>
<td>Mar</td>
<td>Apr</td>
</tr>
<tr>
<td></td>
<td>On time</td>
<td>On time</td>
</tr>
<tr>
<td>Month end OPF on time</td>
<td>Mar</td>
<td>Apr</td>
</tr>
<tr>
<td></td>
<td>On time</td>
<td>On time</td>
</tr>
<tr>
<td>Tax deadlines missed</td>
<td>Mar</td>
<td>Apr</td>
</tr>
<tr>
<td></td>
<td>On time</td>
<td>On time</td>
</tr>
<tr>
<td>Bank Accounts in overdraft</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Material Reconciliation completed by day 5, others by day 7, (year end longer Timeframe)</td>
<td>All on time</td>
<td>All on time</td>
</tr>
</tbody>
</table>
HR and IM metrics are not yet available for this document.

<<RISK PROFILE – Insert after Monday workshop with Gary>>
The following picture gives a sense of the volume and variety of operational work achieved by CASS since the launch in March 2012:

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of invoices processed</td>
<td>14,000</td>
</tr>
<tr>
<td>Number of financial statements reviewed</td>
<td>13,000</td>
</tr>
<tr>
<td>Number of IT system changes</td>
<td>547</td>
</tr>
<tr>
<td>Number of GST returns completed</td>
<td>22</td>
</tr>
<tr>
<td>Number of annual remuneration reviews managed</td>
<td>3</td>
</tr>
<tr>
<td>Number of Service Desk calls from all three Agencies</td>
<td>9,357</td>
</tr>
<tr>
<td>Number of electronic and paper files created</td>
<td>1,725, 1,825</td>
</tr>
<tr>
<td>Research requests completed</td>
<td>52</td>
</tr>
<tr>
<td>Documents across three iManage instances</td>
<td>Over 4,800,000</td>
</tr>
<tr>
<td>ELT ‘Passionate and Ambitious’ Award presented to CASS</td>
<td>20</td>
</tr>
<tr>
<td>Payrolls run on time and accurately</td>
<td>Over 9,000</td>
</tr>
<tr>
<td>Over 20 items in KOHA, the Central Agencies library system</td>
<td>22,061</td>
</tr>
<tr>
<td>Development Centre has run 20 courses involving over 500 participants</td>
<td>Over 170</td>
</tr>
<tr>
<td>Boxes in offsite storage</td>
<td>17,000</td>
</tr>
<tr>
<td>Completed Treasury Graduate recruitment programme resulting in offers being made to 12 graduates and 14 interns</td>
<td>Over 1,600</td>
</tr>
<tr>
<td>Follow-Me printing rollout. Provides $100,000 savings per annum</td>
<td>102</td>
</tr>
<tr>
<td>Helped smooth the path for 22 parental leave arrangements</td>
<td>Over 15,344</td>
</tr>
<tr>
<td>Hyperlinks in the 189 pages on the Budget CD</td>
<td>175</td>
</tr>
<tr>
<td>NZDMO and LGFA tender announcements and results updates on our website</td>
<td>14</td>
</tr>
<tr>
<td>Substantial projects completed</td>
<td>395</td>
</tr>
<tr>
<td>PDF files making up the Budget</td>
<td>Over 9,000</td>
</tr>
<tr>
<td>Finance queries emails cleared</td>
<td>600</td>
</tr>
<tr>
<td>Developed and implement CASS budgets</td>
<td>11</td>
</tr>
</tbody>
</table>

CASS Business Plan
3 Central Agency Development Programme

3.1 Introduction

A key vehicle for embedding the CASS operation, reducing risk and delivering efficiency and effectiveness benefits is the Central Agency Development Programme (CADP). This chapter gives an overview of the programme and progress to date.

3.2 Purpose of the Programme

Established in July 2012 by the CASS Partnership Board, the CADP commenced as a specific and targeted programme of work with the overriding purpose of achieving a unified centralised structure to better serve and support the three central agencies.

Comprising some thirty individual but interrelated projects, the scope of the Programme spans a range of business improvement initiatives and technological objectives. Broadly, the programme strives to address improvements in (with project examples):

- **Rationalisation and Standardisation of Assets and Services** – a single email system across the Agencies, Enhancements to the Core ICT Infrastructure, Improved Network Resilience, Integrated Service Desk, DR / BCP evaluation, Standard Desktop expansion.
- **Business Unit Specific Initiatives** – HR Systems functionality and integration improvement, Payroll Systems alignment.

3.3 Projects’ current status

The projects encompassed by the CADP occupy the range of the project lifecycle; a number of completed projects currently realising benefits, a majority of the projects underway, and a small number, awaiting the requisite resources, to be initiated.

The Programme revolves around an identified core of large infrastructure, higher value, projects that impact across the Three Agencies. Ancillary projects, those that effect specific agencies or business units, comprise the majority of the programme in number, and approximately half of the ($2.5m) cost.

The programme is on schedule for delivery around September 2013. The forecast overall costs are within the approved programme budget, though there has been some rebalancing of resource allocation across the CADP to better meet changing priorities and opportunities.
Breakdown of the Central Agencies Development Programme projects for FY12/13 as at February 2013:

<table>
<thead>
<tr>
<th>TO BE INITIATED (3)</th>
<th>LAUNCHED (17)</th>
<th>COMPLETED (13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Finance One Database Consolidation (IT Implementation)</td>
<td>• Network Resilience</td>
<td>• SSC Payroll Alignment</td>
</tr>
<tr>
<td>• Finance One Database (Phase 1 - Chart Only)</td>
<td>• Managing Classified Material</td>
<td>• Central Agencies Internet Strategy (Phase 1)</td>
</tr>
<tr>
<td>• Finance Workflow /Scanner (Phase 2)</td>
<td>• Core Infrastructure Enhancement</td>
<td>• DPMC Server Room Move</td>
</tr>
<tr>
<td></td>
<td>• IT Policies and Procedures</td>
<td>• Printer Roll Out</td>
</tr>
<tr>
<td></td>
<td>• Integrated Service Desk</td>
<td>• TSY PRA Assessment and IM Health</td>
</tr>
<tr>
<td></td>
<td>• Legacy System Management and Documentation</td>
<td>• Information Security Model (ISM)</td>
</tr>
<tr>
<td></td>
<td>• Email and Blackberry Integration</td>
<td>• Enterprise Architecture</td>
</tr>
<tr>
<td></td>
<td>• Integrated Network and Directory Service</td>
<td>• TSY/SSC Telephony Roll Out</td>
</tr>
<tr>
<td></td>
<td>• Disaster Recovery (Analysis)</td>
<td>• DPMC Public Records Act (PRA) Benchmarking and Information Health-check</td>
</tr>
<tr>
<td></td>
<td>• Record Keeping Compliance and Reporting Alignment (Phase 2)</td>
<td>• Finance Workflow /Scanner (Phase 1)</td>
</tr>
<tr>
<td></td>
<td>• Contract Rationalisation</td>
<td>• Workflow (Moto)</td>
</tr>
<tr>
<td></td>
<td>• Information Management Strategy</td>
<td>• SSC ARM Upgrade</td>
</tr>
<tr>
<td></td>
<td>• File and Print Migration</td>
<td>• DPMC Payroll Alignment</td>
</tr>
</tbody>
</table>
3.4 Benefit Realisation

Realisation of the benefits to the Organisations drives the CADP. It is anticipated that the Programme will deliver upon the goals of risk reduction and efficiency gains as result of increasingly resilient and rationalised systems, improved processes and policies and eventual FTE and ongoing operational expenditure reduction.

Outputs and Benefits of CADP Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Benefits</th>
</tr>
</thead>
</table>
| Network Resilience              | • Support – faster time to resolve issues  
|                                 | • Higher security assurance  
|                                 | • Improved interagency network connectivity                                                                                           |
| Managing Classified Material    | • More efficient, effective and resilient process for distributing classified materials  
|                                 | • Fit for purpose secure room processes for SSC and the Treasury  
|                                 | • Staff trained on new processes                                                                                                       |
| SSC Payroll Alignment           | • Extended the self-managed payroll / leave kiosks to both SSC and DPMC will result in an immediate benefit to employees and managers, allowing independent access and updating of payroll and leave data on demand  
|                                 | • Payroll staff would similarly benefit through the increased efficiency of leave processing, electronic delivery of pay slips and a reduction of payroll queries |
| Core Infrastructure Enhancement | • Reducing our risk exposure and improving the efficiency of the current systems.  
|                                 | • Facilitating new CADP and Business initiatives.  
|                                 | • Enhanced DR capability.                                                                                                              |
| Integrated Network and Directory Service | • We will be able to securely log into our network from any agency location and reduce the requirement for multiple usernames/passwords thereby enhancing user and work practice flexibility.  
|                                 | • Will streamline services and allow CASS to deliver services faster through the provision of a standardised authentication mechanism |
| Integrated Service Desk         | • A single point of contact for fault resolution plus the reduction in systems (from the current three to one) will improve efficiency and our ability to administer and thus improve our processes and service. |
| IT Policies and Procedures      | • Amalgamation and standardisation of key corporate IT policies and Service Level Agreements across the Central Agencies.  
|                                 | • Documented processes with identified roles and responsibilities.  
|                                 | • Documented best practice procedures and guidelines, for undertaking key process tasks.  
|                                 | • Developing a standard set of tools and templates.                                                                                     |
| Email Integration               | • Will enable closer collaboration across the three agencies including combined address books and calendaring  
<p>|                                 | • Upgrade of DPMC mail system to Microsoft Outlook, reducing user frustrations with current product.                                      |</p>
<table>
<thead>
<tr>
<th>Project</th>
<th>Benefits</th>
</tr>
</thead>
</table>
| Record Keeping Compliance and Reporting Alignment. (Phase 2)            | • Compliance risks and legislative requirements managed  
• Provides us with authority to destroy both hardcopy & electronic records, reducing the costs and risk associated with data storage.  
• Reduces the need for ad hoc appraisals  
• Simplifies the record-keeping framework  
  o Process alignment efficiencies  
  o Tools in place to map to a future integrated system  
  o Less administration time spent managing multiple authorities  
  o Back office efficiency increased. |
| Legacy System Management and Documentation                               | • This project is mainly about keeping the lights on for existing systems whilst implementing a major programme of work to consolidate the IT infrastructure thus ensuring business as usual is maintained during the transition programme. |
| Disaster Recovery                                                       | • This project will identify the current state of agencies Business continuity Plans (BCP) documentation to be used as the basis for further BCP assurance.  
• A comparison analysis of current infrastructure and IT services against agencies BCP expectations will be completed  
• The findings of this project will feed into the Core Infrastructure project and the development of the Strategic Asset Management Planning. |
| CASS Contract Rationalisation                                           | • Cost savings where contract consolidation is identifies.  
• Ability to proactively review and manage contracts  
• Efficient management of contracts  
• Clarity around future budget requirements |
| Information Management Strategy                                         | • Improved access to information  
• Ensures that information management repositories and systems across the central agencies remain relevant and that historical data formats are supported or translated  
• Reduced compliance costs and risk  
• Leverage of information assets for improved business outcomes  
• Provide flexibility for information management work practices across the central agencies |
| Central Agencies Web Strategy (Phase 1)                                | • Delivery of a websites strategy for the three agencies that establishes policies, approaches and systems to maximise use that best meets the agencies needs for effective communication tools. It will identify the required business capabilities associated with Central Agencies websites requirements |
| HR Integration (HRIS)                                                   | • A Human Resources Information System that provides a single, reliable source of information for Managers, Staff, Finance and HR. The HRIS will provide comprehensive self service options within a highly automated environment and reduce support and administration inefficiencies. |
| File and Print Migration                                                | • Migration of file and print services from legacy systems onto core infrastructure. This is a precursor to a number of the technical projects and it also results in increased functional stability and resilience. |
4 Finance

4.1 Starting position (as at 7 March 2012)

Prior to CASS all three agencies operated finance structures that were slim and left them exposed in terms of peaks and troughs of workload, ability to ensure sufficient backup for functions and specialist skills and experience.

<table>
<thead>
<tr>
<th>DPMC 3.25 FTEs</th>
<th>SSC 7 FTEs</th>
<th>Treasury 10 FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO - Part share of Corporate Services Manager (0.25)</td>
<td>CFO</td>
<td>CFO – Part share of Dep Sec/Chief Accountant (0.33)</td>
</tr>
<tr>
<td>Financial Accountant (0.8)</td>
<td>Finance Manager</td>
<td>Finance Manager</td>
</tr>
<tr>
<td>2 Finance Clerks</td>
<td>Systems Accountant</td>
<td>Systems Accountant (0.8)</td>
</tr>
<tr>
<td></td>
<td>Management Accountant</td>
<td>Non Department Financial Accountant (0.8)</td>
</tr>
<tr>
<td></td>
<td>Financial Accountant</td>
<td>Assistant Financial Accountant</td>
</tr>
<tr>
<td></td>
<td>2 Finance Clerks</td>
<td>Management Accounting Team Leader</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Management Accountants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Finance Officers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planning and Reporting Advisor</td>
</tr>
</tbody>
</table>

Two of the agencies used old financial systems that were due for replacement and did not meet the longer term functional requirements of the agencies; DPMC used Sun and Navision and Treasury used Epicor and Active Planner. A decision was approved prior to CASS implementation to migrate DPMC and Treasury onto SSC’s Finance system and go-live was November 2011. Savings were made as part of this rationalisation prior to the implementation of CASS.

Finance Capability Maturity Model

An organisation’s Finance maturity is measured in the public sector through a self assessment capability model. As at June 2012, the following rating applied by agency.
Cost of function

The personnel cost of the Finance function prior to CASS was $1.91 million in 2010/11 and $1.96 million in 2011/12. With the introduction of CASS, it was initially estimated to fall to $1.83 million in 2012/13 but is now estimated to be $1.89 million given resourcing issues experienced by Finance. Future personnel cost profile of Finance is $1.65 million.

Staffing

RC25 Finance: Total 17.5 FTEs (15.5 Permanent; 2 Fixed Term)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical versus proactive forward looking reporting and analysis.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Lagging</td>
</tr>
<tr>
<td>Organizations' view of Finance’s role.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Achieving</td>
</tr>
<tr>
<td>Budget process linkage to strategic or business planning process.</td>
<td>Exceeding</td>
<td>Achieving</td>
<td>Lagging</td>
</tr>
<tr>
<td>Management’s ease of access to relevant, timely and consistent information.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Lagging</td>
</tr>
<tr>
<td>Forecast timeliness, accuracy, and usefulness.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Achieving</td>
</tr>
<tr>
<td>Length of close and reporting cycle time, along with focus of time spent during that process.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Achieving</td>
</tr>
<tr>
<td>Extent systems are cost-effective and leverage information.</td>
<td>Lagging</td>
<td>Lagging</td>
<td>Lagging</td>
</tr>
<tr>
<td>Extent to which transaction processes are automated</td>
<td>Achieving</td>
<td>Lagging</td>
<td>Lagging</td>
</tr>
<tr>
<td>Focus with respect to value of actions, decisions and processes.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Lagging</td>
</tr>
<tr>
<td>Extent to which finance analyst have skill set and business acumen to partner with operations management.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Achieving</td>
</tr>
</tbody>
</table>
During implementation, the following changes have been made to the approved structure to cope with vacancies and movements in business need:

a) Funding for 1 year fixed term System Accountant position – this role was filled for the first 5 months of CASS to develop the managers budgeting model and variance analysis; since then the role has been left vacant as system infrastructure issues have put finance system projects and the need for this role on hold.

b) Financial Accountant has retired and this role will be left vacant so that the fixed term senior finance officer role can be extended until system issues are resolved and phase 2 of scanwatcher project can be implemented; anticipated to result in processing efficiencies. Some of the funding for the financial accountant role will also be used to fund a short term resource over year end to lead completion of financial statements.

c) An additional Management Accountant has been funded for six months by Treasury to assist in bedding down the training and culture change of managers becoming more hands-on in financial management.

d) Other staff transitions have resulted in higher use of temporary staff in Finance than would have been expected including:
   i. Parental leave in Management Accounting
   ii. Long term paid sick leave in Financial Accounting
   iii. Difficulties filling TL – Financial Accounting role appropriately

Policy status

The table below outlines the policies that Finance is responsible for managing in each agency. Finance has focussed on standardising roles and responsibilities of finance vs. business users and focussed on procedures for how users access finance services rather than on standardising policies. However Finance is now working on identifying best practice in expenditure and tax policies so that these are standardised from 1 July 2013. This follows progressing SSC’s IRD audit which has identified areas to change in SSC which happens to align to Treasury and DPMC current practices.

<table>
<thead>
<tr>
<th>DPMC</th>
<th>SSC</th>
<th>Treasury (all updated in Nov 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delegations</td>
<td>Delegations</td>
<td><strong>Delegations owned by Legal</strong></td>
</tr>
<tr>
<td>Government House Delegations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Spending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Koha Policy (draft)</td>
<td>Staff Functions &amp; Staff</td>
<td><strong>Sensitive expenditure</strong></td>
</tr>
<tr>
<td>Farewells</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td><strong>Travel (now owned by Business Support)</strong></td>
</tr>
<tr>
<td>Policy/Guideline</td>
<td>Key Area</td>
<td>Details/Explanation</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>---------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sponsorship</td>
<td></td>
<td><strong>Board Fees</strong></td>
</tr>
<tr>
<td>Corporate Credit Card Guidelines</td>
<td>Purchasing Cards</td>
<td>Credit cards</td>
</tr>
<tr>
<td>DPMC Procurement Policy</td>
<td>Procurement (owned by Business Support)</td>
<td><strong>Guidelines</strong></td>
</tr>
<tr>
<td>DPMC Procurement Guidelines</td>
<td></td>
<td><strong>Petty cash guidelines (draft)</strong></td>
</tr>
<tr>
<td>Policy on Fraud</td>
<td><strong>Included in Expenditure Policy</strong></td>
<td><strong>Guidelines</strong></td>
</tr>
<tr>
<td>Tax Management Policy</td>
<td>Taxation Policies &amp; Procedures</td>
<td>Taxation Policy and Procedures</td>
</tr>
<tr>
<td>May 2003</td>
<td></td>
<td>• GST</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• PAYE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Anticipate one required for FBT</td>
</tr>
<tr>
<td>Hospitality and Entertainment Guidelines</td>
<td>Gifts, Benefits &amp; Hospitality</td>
<td><strong>Guidelines</strong></td>
</tr>
<tr>
<td></td>
<td>Cash Management Policy (not considered necessary as just reflects Treasury instructions)</td>
<td><strong>Policy</strong></td>
</tr>
<tr>
<td>Fixed Asset Policy</td>
<td>Capitalisation (Assets &amp; Depreciation)</td>
<td><strong>Included in Expenditure Policy</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Not currently treated as a policy document as is accounting policy in annual financial statements but will longer be included as a procedures document under umbrella of Expenditure policy</strong></td>
</tr>
<tr>
<td>Foreign Currency Policy</td>
<td></td>
<td><strong>Included in Expenditure Policy</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Cash Management Policy</strong></td>
<td><strong>Included in Expenditure Policy</strong></td>
</tr>
<tr>
<td></td>
<td>(not considered necessary as just reflects Treasury instructions)</td>
<td><strong>Included in Expenditure Policy</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Financial Management Information System (not considered necessary longer term)</strong></td>
<td><strong>Included in Expenditure Policy</strong></td>
</tr>
</tbody>
</table>

**Process status**

Significant changes have been made in rationalising and improving processes. Some examples include:
• Payment processes for invoices and payroll – more structured dates for payments, more regular processing for DPMC, increased audit controls and regular communication of due dates to managers and business support staff

• Completion of reconciliations – automated reports from system to speed up process; consistent format across all three agencies to increase audit documentation

• Completion of budgeting online – increased manager ownership, speed of consolidation and advice to senior leadership and accuracy of output class implications

• Implementation of monthly forecasting by managers – increase ability to provide real-time advice to senior leadership for decision-making

• Completion of variance analysis online

• Amended management reports to senior management to be consistent in timeframes for managers to completed

• Journals – reduction in hard copy manual approval processes; all now completed online

• Invoice processing – removal of hard copy manual approval processes; all now completed online; post implementation of invoice scanning

• Development of more efficient importing of consolidated invoices to increase speed of processing and payroll files

• Amended access of finance for business support staff to enable self service on reviewing paid invoices and scanned copies of invoices

• Implementation of automated bank reconciliation functions and automated checking scripts

• Completion of email certification of consolidated invoice balances (eg: taxi and mobile phone usage)

Systems

Speed issues exist in the finance system in all environments; production, test and development. This is causing frustration to finance staff and business users. Finance have been working collaboratively with IT and the vendors to identify the reasons. There are a number of issues to resolve before the Finance systems projects can progress as the speed issues significantly impede:

• Driving the culture change necessary for managers to view the system as a tool to record business decisions and speed up financial processes

• Testing which is necessary to ensure that during version upgrades current functionality is maintained and when rolling out new modules that anticipated functionality works as anticipated

Projects delayed are:
• Upgrade of financial system to latest software version
• Implementation of phase 2 scanwatcher – online approval of invoices by managers (CADP project)
• Consolidation to one common chart of accounts for all agencies (CADP project)
• Transition to one database for all three agencies (CADP project)

Changes that have been made since CASS went live include:
• Consolidation from 5 DPMC separate ledgers to 2
• Implementation of budgeting, variance analysis and forecasting modules to managers
• Implementation of invoice scanning
• Number of automated functions for financial processing

**Risk**

Key risk in Finance is staff continuing to deliver on all services and functions in the same way they were previously provided. CASS is not funded at the same resourcing levels and needs to have more standardised and efficient processes.

• Management accounting staffing levels rely on a high level of self-service by managers of financial reports, accurate financial budgeting and forecasting in the financial system. This level of self-service has started it but not yet yielded management accounting time savings.

• Financial accounting staffing levels rely on business support staff and managers complying with delegations and policies. Finance is still sending back considerable non-compliant invoices for resigning or recoding or needing to complete journal transfers in future months. A more targeted approach to obtain more accurate completion and hold business users accountable will be required in the future.

• Systems accounting staff have successfully supported a significant increase in the number of business users of the system. It was overly ambitious to plan further developments given that the system went live into two agencies only in November 2011 and that the number of business users in the system increased by 140 staff from July 2012 with the roll out of budgeting/forecasting and increased access to business support staff. The Systems Accountants also provide support to two external clients: Ministry of Culture and Heritage and Serious Fraud Office.

• Under-estimating time involved in supporting business as usual which reduces available time to make improvements necessary to lift organisations financial capability.

4.2 Target position by start of FY 14/15

An organisation’s Finance maturity is measured in the public sector through a self assessment capability model. Outlined below is the proposed state that the organisations
would like to be in by 2014/15. This is a significant change from the current state as outlined in section 4.1. This model the capability of senior leadership, managers and finance staff.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
<th>Future State in 2 years time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical versus proactive forward looking reporting and analysis.</td>
<td>Exceeding</td>
<td>Exceeding</td>
<td>Exceeding</td>
<td></td>
</tr>
<tr>
<td>Organizations' view of Finance's role.</td>
<td>Leading</td>
<td>Exceeding</td>
<td>Exceeding</td>
<td></td>
</tr>
<tr>
<td>Budget process linkage to strategic or business planning process.</td>
<td>Exceeding</td>
<td>Exceeding</td>
<td>Exceeding</td>
<td></td>
</tr>
<tr>
<td>Management's ease of access to relevant, timely and consistent information.</td>
<td>Leading</td>
<td>Leading</td>
<td>Leading</td>
<td></td>
</tr>
<tr>
<td>Forecast timeliness, accuracy, and usefulness.</td>
<td>Leading</td>
<td>Leading</td>
<td>Leading</td>
<td></td>
</tr>
<tr>
<td>Length of close and reporting cycle time, along with focus of time spent during that process.</td>
<td>Leading</td>
<td>Leading</td>
<td>Leading</td>
<td></td>
</tr>
<tr>
<td>Extent systems are cost-effective and leverage information.</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Achieving</td>
<td></td>
</tr>
<tr>
<td>Extent to which transaction processes are automated</td>
<td>Achieving</td>
<td>Achieving</td>
<td>Achieving</td>
<td></td>
</tr>
<tr>
<td>Focus with respect to value of actions, decisions and processes.</td>
<td>Leading</td>
<td>Leading</td>
<td>Leading</td>
<td></td>
</tr>
<tr>
<td>Extent to which finance analyst have skill set and business acumen to partner with operations management.</td>
<td>Exceeding</td>
<td>Exceeding</td>
<td>Exceeding</td>
<td></td>
</tr>
</tbody>
</table>

4.3 Initiative plan for the next 3-12 months

Over the next 3-12 months the focus will be on:

a) Training managers to increase familiarity with system and financial management

b) Training business support staff to ensure processes and procedures understood and functions in finance system used effectively

c) Documentation of business process and policy changes required for implementation of phase 2 of scanwatcher will entail – online invoice coding and approval by managers

d) Chart changes to enable transition path to ‘one chart’ – eg: align use of item codes, recording projects and output classes in the system, ‘look and feel’ of reports.

e) Redesign integration of financial system reports to CFIS (Crown Financial Information System)

f) Policy and procedure changes to align expenditure and taxation policies across the three agencies

g) Resolution of speed issues in financial system so that finance projects can progress

h) Progress in conjunction with HR improved access to payroll information that has financial implications.
4.4 Implications and integration with All of Government initiatives

Finance continues to monitor the progress of all of government initiatives. Rationalisation of ICT in the public sector will impact on capital planning; particularly initiatives like Infrastructure as a Service.

In addition, Treasury is leading initiatives to optimise the Finance and the HR functions. For the Finance function, this will in the shorter term provide resources to help drive improved financial capability in organisations, in the medium term may result in integrating financial results into the Crown through common chart of accounts and longer term could result in service delivery changes; eg: centralisation of financial processing functions to harness economies of scale.
5 Human Resources

5.1 Starting position (as at 7 March 2012)

It was a difficult start for HR with several different policy environments and core systems. The operating models in all three agencies were different and there was little integration with payroll and HRIS.

The plan for implementing a future-state model for CASS included identification of performance metrics and baseline data with which to measure a new service delivery model. The review of HR activities against a Maturity model highlighted several areas for service improvement and assumptions were made regarding future cost savings as a result of the new model being implemented.

Cost of function

The 2009/10 BASS Data showed the running costs and FTEs in the central agencies HR function as per the table below:

<table>
<thead>
<tr>
<th></th>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost of the HR function ($000)</td>
<td>1,990</td>
<td>716</td>
<td>304</td>
<td>3,009</td>
</tr>
<tr>
<td>Total FTE</td>
<td>11.6</td>
<td>5.6</td>
<td>3.5</td>
<td>20.7</td>
</tr>
</tbody>
</table>

Caution is required when comparing pre- and post-CASS HR costs as it is not clear the extent to which it is a like for like comparison (especially in the treatment of recruitment and training costs).

Staffing

The FTE level for HR and Payroll under CASS was established at 15.5 with three of those on fixed term (incl).

The expectation is that this will reduce to 13.5 permanent FTE in 2013.

Policy status

There was a diverse range of policies for all three agencies:

<table>
<thead>
<tr>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment Policy</td>
<td>Recruitment Policy</td>
<td>Recruitment &amp; Selection</td>
</tr>
<tr>
<td>Remuneration Policy</td>
<td></td>
<td>Employment Agreement Policy</td>
</tr>
<tr>
<td>Performance Management</td>
<td>Performance Management</td>
<td></td>
</tr>
<tr>
<td>EEO / Diversity</td>
<td>EEO</td>
<td>Equality and Diversity</td>
</tr>
<tr>
<td>Learning and Development</td>
<td>Professional Development</td>
<td></td>
</tr>
<tr>
<td>Study Assistance (3 policies)</td>
<td></td>
<td>Study leave and Assistance</td>
</tr>
<tr>
<td>Flexible working arrangements</td>
<td>Flexible Working Arrangements</td>
<td></td>
</tr>
<tr>
<td>Discrimination /</td>
<td></td>
<td>Anti-Harassment</td>
</tr>
<tr>
<td>Harassment</td>
<td>Discipline / Dismissal Discipline Procedures</td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Leave (13 individual policies)</td>
<td>Leave (various individual policies)</td>
<td></td>
</tr>
<tr>
<td>Disclosure of serious wrongdoing</td>
<td>Protected Disclosures</td>
<td></td>
</tr>
</tbody>
</table>

### Process status

We have modelled the Central Agencies process maturity as follows:

<table>
<thead>
<tr>
<th>HR Function</th>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Advice</td>
<td>Repeatable</td>
<td>Repeatable</td>
<td>Repeatable</td>
</tr>
<tr>
<td>HR Policies</td>
<td>Repeatable</td>
<td>Repeatable</td>
<td>Repeatable</td>
</tr>
<tr>
<td>Recruitment</td>
<td>Repeatable</td>
<td>Repeatable</td>
<td>Repeatable</td>
</tr>
<tr>
<td>Remuneration, systems (including payroll)</td>
<td>Repeatable</td>
<td>Repeatable</td>
<td>Ad Hoc</td>
</tr>
<tr>
<td>Performance Management</td>
<td>Repeatable</td>
<td>Repeatable</td>
<td>Ad Hoc</td>
</tr>
<tr>
<td>OD and L&amp;D</td>
<td>Ad Hoc</td>
<td>Ad Hoc</td>
<td>Ad Hoc</td>
</tr>
</tbody>
</table>

The Maturity Model assessment suggested that the HR function prior to the establishment of CASS were primarily at the Ad-hoc or Repeatable level. This was illustrated by the fact that there were limited metrics in place, no process maps, little automation of low value tasks, no ownership by managers of HR activities and low levels of competency within the newly established HR team and within the manager cohorts.

### Systems

There were two versions of a payroll system (CHRIS21) at the time of establishment of CASS and work has been progressed in drawing these into one. Additionally DPMC had its own outsourced arrangement (Honey) which has now been set aside and all three organisations’ payrolls are processed through the centralised CHRIS21 system. We are also processing the State Sector CEO Payroll through the system. In order to enable this we have tidied up data and standardised processes.

A decision around the supply and implementation of one HRIS incorporating payroll is due in February 2013. We will be implementing a system that will deliver enough process functionality and standardisation so that future efficiencies can be realised.
5.2 Target position by start of FY 14/15

Based on our current planning the future position will be a new operating model based in a technology driven HR processes.

Cost of Function

Our proposed headcount will be at 13.5 and our cost of operating HR for all three agencies will be around $2.1M.

Process status

Standardisation of processes has been a focus for HR and we are planning to automate as much as possible once we have made a final HRIS decision. (Due February 2013).

<table>
<thead>
<tr>
<th>HR Function</th>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
<th>End of FY13/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Advice</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
</tr>
<tr>
<td>HR Policies</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
</tr>
<tr>
<td>Recruitment</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
</tr>
<tr>
<td>Remuneration, systems (including payroll)</td>
<td>Defined</td>
<td>Defined</td>
<td>Defined</td>
<td>Defined</td>
</tr>
<tr>
<td>Performance Management</td>
<td>Defined</td>
<td>Defined</td>
<td>Defined</td>
<td>Defined</td>
</tr>
<tr>
<td>OD and L&amp;D</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
<td>Managed</td>
</tr>
</tbody>
</table>

In terms of the HR Capability Maturity model our target is a mix of “Managed” and “Defined”. We will achieve this by having metrics in place, automation of systems, managers taking responsibility for their HR practices, competency based training in place for HR staff and managers, with senior leadership sponsors supporting consistency in HR approaches.

Policy status

We are in the process of finalising standard HR Policies for:

- Recruitment
- Parental Leave
- Health Care Benefits

By the start of FY 14/15 we aim to standardised the following Policies:

- Leave
- Workplace problems
- Learning and Development
- Recruitment and Selection
• Remuneration and Reward
• Study Assistance
• Secondment
• Code of Conduct
• Conflict of Interest
• Flexible Working
• Whistle-blowing

**Systems**

As noted above a decision on the future HRIS tool of choice is expected in March 2013. By the Start of FY13/14 we are aiming to implement the following additional system modules (to complement the existing Payroll module):

• Learning and Development
• Expense Claims

### 5.3 Initiative plan for the next 3-12 months

<table>
<thead>
<tr>
<th>Policy</th>
<th>Start Position</th>
<th>Change Initiative</th>
<th>Target by Start 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy</strong></td>
<td>Basically 3 versions of HR Policies</td>
<td>Consolidate and agree new core HR policies (see table above)</td>
<td>80% complete</td>
</tr>
<tr>
<td><strong>Core HR Process</strong></td>
<td>Mostly manual. Inconsistent across all three organisations Conflicting requirements regarding deliverables</td>
<td>• Review of the recruitment strategy, process and policies for all three agencies • Establishment of new performance management process and systems for all three agencies • Review of remuneration frameworks for all three agencies • Agreement to SLAs and a clear work-programme of priorities for SSC and DPMC</td>
<td>• Progress on the HR Maturity activities (moving to ad-hoc to repeatable state)Consistent approach all agencies • New system and process in place • Complete • Set of SLAs in place and tracking</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>Separate Payrolls on the same platform Limited HRIS supporting process Information and analysis manually driven and ad hoc</td>
<td>• Consolidate into one platform and process together • Implementation of HRIS for all three agencies • Review and establishment of HR reporting capability and delivery of reporting for the business • Review of the HR BASS reporting content</td>
<td>• One payroll for three agencies plus CE payroll • System in place with three core modules (L&amp;D, Payroll, Perf Mgmt) • Kiosk reports for Managers in place • HR Reporting and information service in place • Complete</td>
</tr>
<tr>
<td>Organisation</td>
<td>Description</td>
<td>Alignment and updating of data within the existing payroll systems</td>
<td>Process in place</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>---------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Culture</td>
<td>Diverse cultures and inconsistent alignment both across and within organisations</td>
<td>Review and on-going activities surrounding Treasury Diversity initiative</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Four year business planning project</td>
<td>All Central agencies have a clearly defined desired culture and there is a high level of awareness amongst staff</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Design and deployment of high level culture management framework</td>
<td>Central agency cultures are more closely aligned with each other</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>HR policies and practices are clearly designed to develop and reinforce desired culture(s)</td>
</tr>
<tr>
<td>Organisational Development</td>
<td>Organisations have different priorities and approach OD in different ways.</td>
<td>Review and agree approach to OD and deliverables from CASS</td>
<td>OD plan in place for all agencies.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Develop OD plans to progress each agency</td>
<td>Workforce plans produced and agreed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organisational health measures in place</td>
</tr>
<tr>
<td>Learning and Development</td>
<td>Many different approaches. Mostly ad hoc</td>
<td>Design and implementation of talent management, succession and career development programme</td>
<td>Talent management programme underway in all three agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leadership and adaptive skills development</td>
<td>Programme in place</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Treasury specialist skills development programme (Lifting the Game)</td>
<td>Supporting Treasury in this</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of ongoing Graduate Development Programme</td>
<td>Programme in place</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of manager training on HR 101 e.g. recruitment/remuneration/performance</td>
<td>Plan in pace and underway</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Management training programme in place and running</td>
</tr>
<tr>
<td>management etc</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Development of HR team skills and ability to meet the needs of the business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ongoing Career training and development plan in place for all HR staff</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.4 Implications and integration with All of Government initiatives

HR is well connected and are active members of several sector groups such as the ER Network and HR Leaders forum. The HR team are constantly in communication with counterparts across the state sector to exchange ideas and knowledge for the purposes of continuous improvement.

The HR group benchmarks its activities against other organisations and collates the key HR information for the sector reports.

Additionally:

- We have signed up to the All of Government agreement for Recruitment and Advertising
- Participate as part of the All of Government agreement for Legal services with regards Employment relations issues when they come up
- Liaise with the HR Quickstart initiative with intention to align where appropriate
6 Information Technology

6.1 Starting position (as at 7 March 2012)

Using ITIL\(^1\) to measure IT process maturity indicates the majority of areas assessed at an ‘Awareness’ level demonstrating an awareness of the process where some activities are missing or there are incomplete accountabilities and measurements (refer to Treasury iManage 2448013 IT & IM Strategic Direction – Presentation to CASS Partnership Board Nov 2012).

<table>
<thead>
<tr>
<th>Service Process area</th>
<th>Absence 0</th>
<th>Initiation 1</th>
<th>Awareness 2</th>
<th>Control 3</th>
<th>Integration 4</th>
<th>Optimization 5</th>
</tr>
</thead>
<tbody>
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Cost of function

Comparing costs for IT pre and post the establishment of CASS is complicated because the Web and Pubs team is now considered part of IT, pre-CASS it was part of IM. The combined numbers are:

<table>
<thead>
<tr>
<th></th>
<th>IT FTE</th>
<th>IM FTE</th>
<th>Total FTE</th>
<th>Total Cost</th>
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</thead>
<tbody>
<tr>
<td>Pre-CASS</td>
<td>24.1</td>
<td>23.5</td>
<td>47.6</td>
<td>$6.4m</td>
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<tr>
<td>CASS Launch</td>
<td>30.25</td>
<td>15.75</td>
<td>46</td>
<td>$6.14m</td>
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</tbody>
</table>

\(^1\) The Information Technology Infrastructure Library (ITIL) is a set of practices for IT service management (ITSM) that focuses on aligning IT services with the needs of the business. It measures service support and delivery on a 6 point scale ranging from Absent to Optimization.
Policy status
As at 7 March 2012 Information Technology began operation using a cluster of policies already in existence in each of the separate agencies. All of the policies were required to be kept in current state until a policy review could be undertaken to consolidate as many of them as possible under the Central Agencies CASS umbrella.

Process status
Process and procedures documentation from each of the agencies was brought together in central repository, where IT staff could access and refer to it if required.

The key tool for this was the development of the Techdesk Helpfile that contains links to all the relevant existing process and procedure documentation in iManage.

A review of the available documentation reveals that many of the current documents:

- Are out of date or obsolete and should be taken out of circulation and archived
- Are not grouped into like topics and covered under one document heading
• Do not conform to a standardised documentation structure template. In the case of processes these are not tracked or related to roles and responsibilities.

• Are a combination of policy, process and procedures developed by technical analysts. There is often no distinction between what constitutes a policy, process or procedure.

• Somewhat developed in an adhoc manner i.e. in response to a helpdesk request or technical problem

• Often written very colloquially i.e. they refer to individuals by name rather than roles and responsibilities, which mean they date or do not make sense after that person moves out of the role.

**Systems**

CASS commenced operations with a number of disparate ICT management systems and tools (for example, 3 legacy service desk systems; 3 email systems, disparate desktop operating systems; 3 different versions of iManage; payroll etc). A number of CADP projects will consolidate, standardise or simplify these systems and tools.

**Risk**

A significant number of IT risks existed for the Department of Prime Minister and Cabinet, many of which will be resolved by CADP projects. Other risks concern key person risk where specialist knowledge resided with a single staff member and with the rate and pace of change the risk of retaining staff given the demand for ICT skills across the state and private sectors.

Lack of robust prioritisation was a key risk ensuring that if there are changing priorities decisions are made to defer or stop current work in order to meet the changing priorities. If realised, this risk will result in resources being spread too thinly and projects not being delivered in stated timeframes.

### 6.2 Target position by start of FY 14/15

The target position for IT process maturity indicates that the majority of areas have shifted from Awareness (level 2) to Integration (level 4) with the remaining being in Control (level 3). Level 3 Control demonstrates well defined, understood and implemented processes with process accountabilities and measures in place. Level 4 Integration demonstrates integrated processes, governance and measurements.
Completion of the Information Services Strategic Plan (ISSP) will provide a framework of enduring guidance when considering ICT projects and investment decisions, ensuring the ICT programme of work is aligned to the attainment of Agency and sector outcomes. The ISSP will also inform significant transformational decisions, for example, utilisation of All of Government Products and Services (i.e. Infrastructure-as-a-Service – IaaS).

**Current status**

The main vehicle for delivering improvements is the CADP. A number of CADP projects have been completed, launched or initiated. These projects are integral to the achievement of the FY 14/15 target position (see CADP Project Breakdown FY12/13 as of 20 December Treasury iManage 2477962).

A prioritisation process occurred across the Central Agencies for business initiatives which were outside of the scope of CADP. This process resulted in agreed priorities for 2012-13 business initiative projects. Good progress has been made on delivering on these projects however a number of additional requests have come through placing extra pressures on already stretched resources. By FY14/15 this is expected to be a well embedded process.

There has been a great deal of progress made in cross-skilling however (for example, we no longer require 2 on-call systems engineers to cover different agencies, due to cross-skilling this is now allocated to 1 staff member). By FY14/15 we will have largely eliminated key person risks.

Currently a review of the policies is being undertaken in conjunction with:

- The CADP suite of projects

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<thead>
<tr>
<th>Service Process area</th>
<th>Absence</th>
<th>Initiation</th>
<th>Awareness</th>
<th>Control</th>
<th>Integration</th>
<th>Optimisation</th>
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• CASS IT organisational development
• Business as usual maintenance planning

Policies currently under review and due for implementation before the end of the financial year are:
• Central Agencies Security Policy – (editing process)
• Central Agencies Acceptable Use – (implemented)
• CASS IT Procurement – (editing process)
• ICT Management Systems – (under development)
• Service Catalogue and SLAs - (under development)
• CASS Processes:
  – Policy Documentation
  – Business Initiatives
  – On-boarding
  – User Privileges – Admin User
  – User Privileges – Special

Where agency requirements differ significantly, policies will remain with the agency. By FY 14/15 we will have consolidated and documented the major IT policies and processes.

6.3 Initiative plan for the next 3-12 months

Planned initiatives include:

• Completion of the integrated Strategic Asset Management Plan (refer Treasury iManage ID 2545399 Strategic Asset Management Plan 1-page communications and Treasury iManage 2477962 Review of FY12/13 Programme Planning and Prioritisation: Presentation to CASS Partnership Board Nov 2012). The strategic asset management plan (SAMP) provides a roadmap for infrastructure, assets and ongoing CAPEX replacement requirements. The SAMP will ensure a proactive planning and prioritisation process is in place and brings together previously disparate programmes of work which compete for the same resources.
  o Reflects services each agency provides & assets used by each service
  o Includes future needs for each agency
  o Provides roadmap for infrastructure, assets and CAPEX
  o Integrated into business planning
• Completion of the Information Services Strategic Plan (ISSP) & Standard Operating Procedures
• Completion of agreed prioritised Central Agencies business initiatives
• Completion of scheduled CADP Projects
• Completion and or follow up work resulting from the Office of the GCIO Review of Publicly Accessible Systems
• Completion and or follow up work resulting from the Cyber Security Plan (CSP)
• Identify candidates for OPEX savings

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2 See Prioritisation of Business Initiatives Document ID 2451867 for list and status of business initiatives.
• Remediation of DPMC IT risks. A number of these risks have been immediately mitigated where practical or where risk was unacceptable with further ongoing work planned.

To complete savings and business efficiencies and effectiveness by the consolidation of policies for:
• Those CADP projects with policy dependencies in conjunction with the implementation of that programme of work.
• IT business as usual with policy, processes and procedures dependencies by 2013/2014.

Options for the development programme for FY13/14 will be constructed in April 2013 with decision making scheduled for May. This will also give early indications of the work expected for FY14/15.

6.4 Implications and integration with All of Government initiatives

A key principle for CASS IT initiatives is to ensure alignment with the All of Government (AoG) programme while supporting other multiple business drivers (for example: security and fiscal constraints). A number of AoG products and services have been taken up or are being considered by CASS including:
• Microsoft G2012 contract
• Mobile Voice and Data
• Common Web Services Platform
• Desktop & laptop computers
• Print Devices
• Common Web Services Panel
• igovt logon service
• one.govt Service

We have also provided input into a number of AoG work streams including the Open Government and Information Re-use Working Group and the ICT Strategy and Action Plan 2017. A number of CADP projects will enable us to be well positioned for further uptake of AoG initiatives and alignment with the Directions and Priorities for Government ICT.

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3 Letter of Accession signed in July with intention to progress in FY2013-14
7 Information Management

7.1 Starting position (as at 7 March 2012)

A recordkeeping assessment based on functional areas taken from the Public Record Act compliance framework indicated a number of high risks present for the Department of Prime Minister and Cabinet. Treasury and State Services Commission had a mix of either low or no risks evident.

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>DPMC (PAG, OCE &amp; GH)</th>
<th>SSC</th>
<th>Treasury</th>
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<tr>
<td>Planning</td>
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<td>Resourcing</td>
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<td>Training</td>
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<td>Monitoring and Reporting</td>
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<tr>
<td>Creation and Capture</td>
<td>●</td>
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<td>●</td>
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<tr>
<td>Retrievability and Security</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Maintenance and Storage</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Disposal and Transfer</td>
<td>●</td>
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</table>

(refer to Treasury iManage 2448013 IT & IM Strategic Direction – Presentation to CASS Partnership Board Nov 2012).

Reference services are provided to TSY and SSC via a common platform (Koha), but no integration of external resources exist. Research services are embedded in Treasury, but are not provided to SSC or DPMC.

Cost of function
See the Note on Costs and staffing numbers at the start of the previous section on IT.

Policy status
Treasury have embedded and current policies for Records Management and Collections Management.

SSC has a Records Management policy created in 2006.
DPMC does not have overarching information management policies, though the Cabinet office has guidelines that perform a similar function for Cabinet Documents.

**Procedures Status**

Procedures are not consistent across agencies and have not been info-mapped, but there are records and documentation pertaining to business requirements, in particular:

- SSC/TSY IM internal team procedures
- A series of customer service meeting notes with a number of Central Agencies business groups
- Assorted SSC/TSY guidance material available on each agencies intranet
- Procedures documentation, leading up to the implementation of CASS.

**Process status**

The majority of IM processes are built on either common systems (Koha, iManage) or compliance requirements (Public Records Act, Copyright Act). Differences exist between agencies due to implementation choices. In the case of DPMC very few documented processes exist.

**Systems**

Information systems can be split broadly into three categories:

- Reference/Research – provided by common capability (Koha) to SSC, TSY and parts of DPMC
- Agency-wide – The central agencies each use the same document management system (iManage), but these are not integrated with each other; have very different implementations and do not meet all current business needs.
- Business unit specific – Numerous systems exist storing information for specific business unit’s needs. The majority are not integrated with other systems.

**Risk**

Key risks include:

- Organisational information loss and inefficiencies due to systems not meeting business needs.
- Lack of CA-wide content creation tools impedes cross agency work.
- Non-compliance with legislative requirements (Public Records Act, Copyright Act).
- High risks evident for DPMC due to lack of overall investment in function prior to CASS.
- Inefficiencies / fragmentation due to not all of DPMC agreeing to purchase IM services and certain CA corporate functions not being in CASS (e.g. communications)
7.2 Target position by start of FY 14/15

Using the recordkeeping assessment based on functional areas taken from the Public Record Act compliance framework all high risks are removed with the majority of areas having no risks evident and the remaining functional areas having low risks remaining (refer to Treasury iManage 2448013 IT & IM Strategic Direction – Presentation to CASS Partnership Board Nov 2012).

The majority of agreements for external resources cover the entirety of the central agencies.

Collection and Research services are rolled-out evenly across the entirety of the central agencies. (Dependant on infrastructure barriers being removed)

Clear direction for the future use of iManage (or other content/document management systems) across the central agencies and changes being implemented.

Current status

A number of CADP projects have been completed, launched or initiated.

- 9.1 – Recordkeeping Compliance Stage 1 (Baseline Assessment)
- 9.2 – Record Keeping Compliance Stage 2 (Policy/Disposal/Reporting Tools)
- 18 – Integration of Externally Sourced Information
- 21 – Managing Classified Material
- 41 – DPMC iManage Improvement
- 42 – SSC Autonomy Records Manager upgrade
- 61 – Information Management Strategy

These projects are integral to the achievement of the FY 14/15 target position (see CADP Project Breakdown FY12/13 as of 20 December Treasury iManage 2477962).

The IM function has developed a Customer Relationship Engagement Plan and maintains active relationships with each agency (CASS IM Customer Engagement Plan:2312360).

When possible, discrete agency contracts for similar services and resources are being combined into single agreements. Currently 70% of agreements are Central Agencies-wide.

7.3 Initiative plan for the next 3-12 months

The plan for 2013/2014 is to use the Information Management Strategy to inform how we meet the information management requirements of the 3 agencies while balancing compliance with business requirements. We intend to move forward building common capability across the Central Agencies and encouraging opening up of information sources and systems.

Planned initiatives include:

- Completion of scheduled CADP Projects
• 9.2 – Record Keeping Compliance Stage 2 (Policy/Disposal/Reporting Tools)
• 18 – Integration of Externally Sourced Information
• 21 – Managing Classified Material Stage 2 – SSC electronic Cabinet Paper distribution
• 41 – DPMC iManage Improvement
• 61 – Information Management Strategy

- Leverage existing best practice tools and processes from each agency and apply to across the whole of the Central Agencies.
- Focus on standardisation with flexibility to meet unique business requirements.
- Identify candidates for OPEX savings, including further consolidation of external resources contracts.

Considerations for 13/14 (not yet finalised) are:

- Standardization of iManage implementations and associated processes.
- Creation of CA-wide iManage instance.
- Investigation into best-fit’ tools for Information Management across the central agencies.
- Increased delivery of external resources via common electronic platforms e.g. e-books

This work will be undertaken by the existing Information Management team and resourcing project work will be planned as part of BAU annual planning. It is expected that the IM staff carrying out this work will be supported by the available CASS BA resources.

7.4 Implications and integration with All of Government initiatives

We have provided input into a number of AoG work streams including the Open Government and Information Re-use Working Group and the ICT Strategy and Action Plan 2017.

There is currently a GETS tender for an AoG Content/Document Management solution which we will evaluate against the central agencies’ needs.

The Government Legal Resource Cluster offers the opportunity to reduce costs around legal resources. We are currently applying to join the cluster.

Longer term there is the potential to use Koha as an AoG platform or shared resource.
8 Staff Engagement

8.1 Current Status

Surveying our staff

In May 2012 we ran a short internal survey (‘Pulse Check’) within CASS to gauge initial levels of engagement. As CASS had only been up and running for three months we felt it was important to monitor progress and have a baseline for future surveys.

In August 2012 CASS staff participated in Treasury’s Gallup Engagement Survey. Results were as follows:

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<th>Treasury</th>
<th>CASS</th>
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<tr>
<td>Response rate</td>
<td>92%</td>
<td>84%</td>
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<tr>
<td>Overall</td>
<td>3.90</td>
<td>3.36</td>
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The score CASS received in the Gallup Engagement Survey was comparable to the feedback we got for the Pulse Check.

As a result of these surveys, we found a number of key themes:

- Advocate for more senior leadership presence on the floor
- Managers to give consistent messaging regarding levels of support we are able to provide to agencies
- More social functions and interactions between the teams within CASS
- Standardise the policies, processes and systems
- Focus on continuous improvement and priorities

8.2 Action Plan

Progress on key themes

As part of the Gallup Engagement Survey, each team was required to develop an action plan, focusing on realistic improvements they could make. We also developed some actions for all of CASS.

Things we have implemented based on the themes above include:

- Inviting Partnership Board and Governance Group members to monthly updates and other events
- We began a CASS Social Club, which has been successful at building relationships across teams. They aim to hold events every 2-3 months.
- Work is continuing on standardising policies, processes and systems. Much of the Development Programme is dedicated to this.
- We have run a process across the three agencies to learn and narrow down the priorities of each agency.
Team Actions Plans

As well as coming up with a number of actions for all of CASS, each team developed their own plans.

Human Resources

The HR team chose three questions from the Gallup Survey to focus on:

- My fellow employees are committed to doing quality work
  - Make peer review a priority
  - Document both decisions and how we got there (process)
  - Focus on the most important things
  - Share and agree expectations and progress
  - Build feedback loop into process changes
- There is someone at work who encourages my development
  - Appreciate formal and informal feedback from each other and clients (not just our managers)
  - Set up a once a month session to focus only on team skills development (different topics and people to lead)
  - Support each other to try new things – make suggestions and push boundaries to be bold and innovative
- This last year, I have had opportunities at work to learn and grow
  - Make one on ones a priority
  - Give constructive feedback to each other when we try something new
  - Put hand up to do things outside of comfort zone

Actions, more generally as a ‘charter’, the HR team have signed-up to:

- Up-skill our team
- Clarify expectations
- Be ruthless at eliminating unneeded tasks
- Have better communication between our own teams within HR
- Share with each other
- Stop having isolated conversations on the same topic
- We will be responsive to our clients

Finance

The Finance team chose three questions from the Gallup Survey to focus on:

- I have the materials and equipment I need to do my work right
  - Improvement of FinanceOne speed
  - iManage – storage of SSC and DPMC documents
- The mission and purpose of my organisation makes me feel my job is important
  - Celebrate Successes
- At work, I have the opportunity to do what I do best every day
- Establish standard emails to standard questions
- Hold the line – if we are asking PA/managers to go into Finance One to use the system; don’t then go and do it for them
- Develop a strategy for overcoming resistance – identify ways to get acceptance, deal with difficult people etc
- Enhance communication flows between the teams
- Be realistic about what can be delivered and priorities
- Develop standard processes where possible

**IT/IM**

Key actions centred around behaviours from staff outside of CASS to increase support for CASS and in turn engagement of CASS staff. The message we developed was:

- Promote the message that it is not just CASS staff who need to work differently
- We have less staff and resources than we used to. This will continue in June when we are further reduced so we will focus on prioritisation
- We are still building the foundations / shared infrastructure
- All work is prioritised and scheduled based on business needs
- We encourage you to talk to us about your priorities, we will find a way to deliver what you need but it may not be the speed you are used to as there are 3 agencies now
- We are learning as we go and developing a continuous improvement philosophy for example – standard operating procedures, improved strategic planning and proactive stakeholder engagement
- In 2013 we will have a core focus on further developing as a high performing team and continuing to deliver business benefits to our stakeholders

### 8.3 CASS Story

**Where to from here**

The CASS Leadership team are currently developing a vision / aspiration statement. A statement that tells our story and explains who we are – not only to our customers, but also to our staff. We want everyone to be on the same page in understanding what CASS is about, why we were set up and what services we provide.

This work is being led by HR and aims to set out our purpose, guiding principles and values. It is very important that we do this work to engage our stakeholders in our mission. This statement will be a touchstone by which we can drive our actions toward the right outcomes.

So far, the CASS Leadership team has been drafting a statement and within the next month it is expected to take that draft to key stakeholders for input and feedback.

Once we have all the feedback, we will finalise our statement and use it as a cornerstone communication tool and gauge by which to measure our success.

It will be embedded into our people processes such as recruitment, reward and performance measurement.
9 Customer Engagement

9.1 Current Status

Our Customers

We define our customers as the leadership and staff in the three Central Agencies. Our customer engagement strategy involves a mix of:

1. Engagement with Executives and Board members from each Agency
   - Formal engagement and oversight via the CASS Partnership Board. This meets monthly, consists of two members from each Agency Executive team and is Chaired by the DCE of Treasury
   - The Director and Managers have regular one-on-one catch-up sessions with Partnership Board members in each Agency
   - The Director is a full member of the DPMC Senior Leadership Team and attends all their meetings. He attends the Treasury ELT on an as-required basis, typically one or two times each quarter. He is a member of the SSC Management Advisory Group and occasionally attends other Executive level meetings.
   - The Director also periodically reports to the Treasury Board and each Agency’s Risk and Audit Committee

2. Engagement of the Central Agencies Development Programme (CADP)
   - We have a monthly CADP Governance Group meeting to discuss the Programme. The Governance Group is Chaired by the Director, members include one Manager from each Agency, the Programme Manager and CITO
   - Regular one-on-one catch-up sessions are held between the Director and the CADP Programme Manager with Governance Group members in each Agency
   - In the course of each project there are many stakeholder workshops and sessions held with relevant staff

3. Other staff engagement
   - Many members of the CASS team have regular contact with staff in all three Agencies as part of their day-to-day roles
   - The HR team has nominated lead contacts for each Agency from the HR Advisory team
   - The Finance team has nominated lead Management Accountants for each Agency
   - Hot-desks are maintained in SSC and DPMC, and effort is made to ensure that a variety of CASS staff are physically on site at each Agency at least once per week
   - All three Agencies have made a real effort to extend invitations to CASS staff to attend their briefings and celebrations. Key documents, such as each Agency’s Statement of Intent, are circulated to all CASS staff.
• A fortnightly email to all CASS staff from the Director is also forwarded on to all Partnership Board and Governance Group members. This is then circulated through SSC and to some parts of DPMC and Treasury

• Periodically CASS managers and staff attend various management meetings across all three Agencies to talk about CASS and what our plans are and to receive feedback

At present feedback from customers on the performance of CASS tends to be informal and presented one-on-one. There is no formal assessment of customer satisfaction or specific targets set.

The CASS team holds monthly internal relationship meetings for each Agency. These are cross-functional forums to which all staff are invited to share the activities, issues, strategies, changes and projects that are going on in that particular Agency.

Feedback to date

Anecdotal feedback suggests that CASS “is about where we thought it would be”, recognising the tremendous change CASS has been and the work required in getting it up and running.

9.2 Action Plan

Proposal for improvements to Customer Engagement approach

We are in the process of constructing a CASS stakeholder survey (with advice from Vance Kerslake from the SSC Strategic Information Team) followed up by focus group sessions.

The intention is to seek feedback on:

• Any operational issues

• Style and frequency of Customer engagement

• The change we are driving in the Agencies

• Are we meeting needs?

• What do we need to improve on?

We will use this feedback to drive improvements such as:

• Changes to process

• Re-prioritising effort

• Alter the way we engage with the agencies

• Alter our communication methods or content

• Identify need to clarify what is expected of CASS
10 Financial Projections

10.1 Overview of CASS financial operating model

The total budget for CASS consists of three components:

- **Running Costs** – represent direct personnel and operating costs which are managed by CASS management
- **Managed Funds** – costs that CASS manages but the decision making delegation on value and extent of the spend sits with the individual Agencies.
  - Capital charge – relates to the level of IT assets transferred to CASS
  - Depreciation – depends on agreed capital investment programme for IT assets by partnership boards
  - Recruitment and Training – each agency can independently allocate level of funds; are pooled together to obtain efficiencies in development of combined contracts
  - Audit fees – each agency has separate audit relationship auditing functions in agencies and CASS

Running costs and Managed Funds are anticipated to be consistent across financial years

**Improvement Programme** – additional funding has been provided to enable CASS to make the capital and operating improvements necessary to provide a stable and consistent service delivery platform.

**Allocation base**

Costs are allocated to each agency using the following drivers:

<table>
<thead>
<tr>
<th>Personnel Costs + CASS staff training costs</th>
<th>Allocation based on Manager and Team Leader forward looking estimates of workload Agency specific roles allocated to those agencies eg: Treasury fully pays for 2 roles in Finance, 3 roles in IT development team and 2 roles in Web and publishing team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td>Specific budgets prepared for each individual agency</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>Specific budgets prepared for each individual agency</td>
</tr>
</tbody>
</table>
IT Operating Costs | E.g.: Licences, Consumables allocated on “Active Users” across the agencies  
| E.g.: Support & Maintenance, Network Rentals allocated on FTEs across the agencies

IM Operating Costs | Estimated likely usage in 2012/13

Depreciation | Agency specific software allocated on original cost to the specific agencies  
| Other IT asset depreciation allocated based on staff supported (FTEs)

Audit Fees | Allocated based on contracts

Facilities | Allocated as per Personnel costs

Using those cost drivers results in the following allocation splits for FY12/13:

<table>
<thead>
<tr>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>56.7%</td>
<td>24.5%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

The intention is to review allocation %ages each year.

10.2 Projection for next two years

Overall Budget Summary – all CASS related costs

<table>
<thead>
<tr>
<th>Year by Year budget summary</th>
<th>FY12/13</th>
<th>FY13/14</th>
<th>FY14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>($k's) Running cost</td>
<td>$10,300</td>
<td>$9,382</td>
<td>$8,882</td>
</tr>
<tr>
<td>Managed Funds</td>
<td>$3,396</td>
<td>$3,396</td>
<td>$3,396</td>
</tr>
<tr>
<td>Programme (Opex)</td>
<td>$663</td>
<td>$663</td>
<td>$663</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$14,359</td>
<td>$13,441</td>
<td>$12,941</td>
</tr>
</tbody>
</table>

Assumptions
1) FY12/13 budgets based on approved funding
2) FY13/14 running costs include projected 900k pa savings
3) FY14/15 running costs include a further $500k savings, a mix of FTE reduction and other cost savings, dependant on scale of FY13/14 development programme
4) Managed funds for FY13/14 and 14/15 assumed to flat line, actual trajectory to be agreed with individual agencies
5) Programme costs for FY13/14 and 14/15 assumed to be same as FY12/13. This is discretionary and can be altered on agreement with the three Agencies
Function breakdown – CASS running costs

<table>
<thead>
<tr>
<th></th>
<th>FY12/13</th>
<th>FY13/14</th>
<th>FY14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>$1,781</td>
<td>$1,603</td>
<td>$1,603</td>
</tr>
<tr>
<td>Systems</td>
<td>$4,803</td>
<td>$4,410</td>
<td>$4,160</td>
</tr>
<tr>
<td>Info Mgmt</td>
<td>$1,211</td>
<td>$1,136</td>
<td>$986</td>
</tr>
<tr>
<td>HR</td>
<td>$1,897</td>
<td>$1,625</td>
<td>$1,625</td>
</tr>
<tr>
<td>Executive</td>
<td>$608</td>
<td>$608</td>
<td>$508</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,300</strong></td>
<td><strong>$9,382</strong></td>
<td><strong>$8,882</strong></td>
</tr>
</tbody>
</table>

**Assumptions**
1) Assumptions as above
2) Systems reduce 2 FT in FY13/14 assumes Internet / Intranet projects funded and deliver and some further s/w maintenance savings
3) Information Management reduce 2 FT in FY13/14 assumes iManage projects funded and deliver
4) Executive cost centre reduce one role. Assumes no major CASS model changes (e.g. Adding new functions, adding new agencies and so on)

**Allocations to Agencies**

<table>
<thead>
<tr>
<th></th>
<th>Treasury</th>
<th>SSC</th>
<th>DPMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Sk's)</td>
<td>56.70%</td>
<td>24.50%</td>
<td>18.70%</td>
</tr>
<tr>
<td>FY 12/13</td>
<td>$ 8,142</td>
<td>$ 3,518</td>
<td>$ 2,685</td>
</tr>
<tr>
<td>FY 13/14 total Saving over FY12/13</td>
<td>$7,621</td>
<td>$521</td>
<td>$3,293</td>
</tr>
<tr>
<td>FY 14/15 total Saving over FY12/13</td>
<td>$7,337</td>
<td>$804</td>
<td>$3,170</td>
</tr>
</tbody>
</table>

**Assumptions**
1) Assumes the %age split between Agencies remains the same
2) Note previous assumptions on the size of the overall budget

10.3 Risks and opportunities

**Risk to achieving CASS finances**
- Assumed that CASS can absorb the projected average staff remuneration increases and the next few years will be of a similar percentage amount to the previous few.
- There is a risk that recruitment / retention pressures will mean that a larger increase is required
- As is noted in the assumptions in the previous section, there is a link between the amount of Capex / Opex allocated to the CASS improvement programme and the
amount of efficiency savings delivered. If the Agencies choose to reduce the improvement investment, then the savings will be delayed. Similarly there is a flow through impact from the amount of CAPEX spent and the subsequent Depreciation and Capital Charge managed fund costs.

- We have assumed that the cost pressures of software and hardware licenses and support and maintenance will be offset by a better scale negotiating position and other efficiencies. This may prove to be optimistic.

- Continued pressure by agencies to reduce costs

**Opportunities**

Our strategy to date has been to achieve cost reduction through achieving efficiencies within the existing footprint of CASS’s operations. By standardising our Policies, Process and IT environments we are simplifying and standardising the work we do and are able to do this with fewer resources. The financial forecasts above reflect that this approach is likely to deliver an eventual $1.8m or 17% saving in CASS running costs compared to the pre-CASS situation.

While there will still be opportunities for further small savings through efficiency measures they are likely to be absorbed by inflationary pressures on our costs.

The two avenues open for further cost savings are:

1. **Reduce the services offered by CASS or reduce the service level of services.**
   Care would need to be taken that the services actually ended for all Agencies and did not re-appear (e.g. as a consulting cost). For example:
   - We could reduce or eliminate the Organisational Development and training roles, this would mean reining in Agency Workforce strategy ambitions.
   - We could reduce the level of Information Management support and put more Record Management compliance and research demand back on to business groups
   - We could reduce the size of the development team, this could leave applications such as the honours database (DPMC), CFISNet (Treasury) and Collective Agreement and Employees Relationship Database (SSC) unsupported and their value and effectiveness would erode over time.

2. **Change the basic operating model for CASS,** for example we could:
   - Seek increased scale benefits through adding more Agencies
   - Spread the Executive overhead costs wider by adding in more corporate service functions to CASS
   - Outsource parts of the CASS operation, for example if a State Sector financial processing hub was created there may be savings in adopting that model. A further example which may produce savings is a move to an Infrastructure as a Service (IaaS) model for IT.