

Australian Taxation Office Easier, Cheaper and More Personalised Change Program

Independent Assurer Report

Final Version 1.01

Period covering 1st December 2006 – 31st January 2007



- **Executive Summary**
- **Recommendations**
- **Assurance Findings**
 - **PMO and Governance**
 - **Release 3 Design**
 - **Release 3 Build**
 - **Release 3 Test**
 - **Release 3 Deployment**

Introduction:

The Change Program took a well earned break over the Christmas period – with the project shutting down for the period from December 22nd to January the 8th. In line with this reduced period of activity, the IA has combined the results of our December and January analysis, into this single report.

In accordance with the program schedule, December and January continue to contain substantial milestones for the Change Program with considerable activity in both Release 2 and Release 3, including:

- Completion of the Architecturally Complete build activities (Drops 1 – 4)
- Completion of the first Release 3 Change Request Drop
- Assembly Testing of the R3 drops
- Wrap-up of the R3 deployment business process and organisational alignment activities, and
- Implementation of the R2 production fix package 0702

Further to these ongoing activities, planning and preparation of content for the next CP Stage Gate (Release 3 - Design Review 4 (including POWA)) started in December. Substantial effort has been undertaken during January (and continuing up to mid-February) to provide the assurance required to meet the Stage Gate objectives.

The Independent Assurer will provide input to this Stage Gate, and that input will augment this report. For this reason, the IA has not provided comment on the status of the program in this current report.

In addition to these achievements, the Change Program's work on assessing the options for introducing Superannuation Simplification into the plans continues. In January Accenture delivered their proposal for the work currently described as "Option J", and this proposal is being reviewed.

Focus:

In December and January the Independent Assurer team focused its core activities on the following areas:

- (i) Assessing the state of the R3 build / fix and testing activities, the impacts on the respective plans and any core issues impacting ongoing operation the Build activities
- (ii) Participating in the consideration of options for introducing Superannuation Simplification
- (iii) Developing materials for the R3 Design Stage Gate, and
- (iv) Continuing an overall watch on the program health with particular emphasis on program reporting, resourcing and scheduling.

Key Findings:


- The key issues identified in the November IA report pertaining to the program status reporting, remain and are directly affecting the Program's ability for executive level tracking of performance and planning. The IA understands that the PMO is working on improvements to this reporting that address our comments from November. Based on our findings in December and January, we reiterate the need to have this material in place for February's Release 3 Design Stage Gate #4.
- Changes made in December to the structure of the Design and Build teams are already showing benefit to the productivity of Design and Build. In particular, changes to the structures and responsibilities in the Build teams have improved throughput of the Build teams. In Design however, the IA still considers that while structural changes have delivered some improvement, the workloads and responsibilities of Matt Yannopoulos, Card Ward, Karl Suess and Paul Lambert remain very high and therefore constrain the scale of improvement in Design and therefore the performance of Release 3 overall.


- A number of issues have delayed the start of both the Release 3 Assembly testing and the Release 3 Product Testing. Commencing this testing is crucial to achieving the critical path and while actions have been instituted to address them, these improvements are not having an early enough impact.
- Deployment activities are progressing well and workshops in December to assess the business process and organisational impacts have been both well received by business as well as providing valuable input into the follow-on Deployment tasks. Further workshops to showcase the solution and its impacts on business would be welcomed by the ATO business areas.

The summary ratings for each of the work streams are indicated below:

Overall Workstream Ratings Summary	
Workstream	Overall Rating
PMO and Governance	Amber
Release 3 Design	Red
Release 3 Build	Red
Release 3 Test	Red
Release 3 Deployment	Green

 = On Track

 = Concerns raised.
Mitigating actions in plan

 = Major issues identified. Impacts to
timeline and/or budgets

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Release 3

R3 Design

R3.1 Identify functions and / or responsibilities of each lead design member that could be taken off them and performed by less critical staff or additional staff. **Influencer for action: CP**

R3 Build

R3.2 Review effectiveness of test data management tools and processes. Ensure test data (Reference and Master) is synchronised between all build areas (eg. Siebel, ICP, etc.). Ensure consistent test data between environments (Dev, AT, PT, etc.). Ensure close cooperation between AT Test Data and PT Test Data teams. **Influencer for action: CP**

R3.3 Review effectiveness of configuration management tools and processes. Ensure effective tool is used for Mainframe source code management (ie. Historian has limited functionality, is highly manual and is prone to error). **Influencer for action: CP**

R3.4 Establish measures for driving UT & Link Test quality. Consider some of the best practises such as reporting the number of defects found in AT that should have been detected in earlier phases (UT & LT). **Influencer for action: CP**

R3.5 Create a dedicated Siebel fix team for Release 3 defects. **Influencer for action: CP**

R3.6 Finalise Build/UT Approach document. **Influencer for action: CP**

R3.7 Finalise Assembly Test Approach document. **Influencer for action: CP**

Key:

Influencer for Action (i.e. the group that could make it happen) can be one of, or a combination of:

- BAU
- CP
- ATO (P&P, ICT)

Release 3 (continued)

R3 Testing

- R3.8** Finalise the Product Test Approach, revise the overall test milestones, identify key criteria for assessing the criticality of testing outcomes and scenarios (and ensure the Testing Strategy will accommodate any risk-based prioritisation of work).
Influencer for action: CP
- R3.9** CP Management to prioritise availability of testing resource otherwise test preparation will continue to be delayed.
Influencer for action: CP
- R3.10** Defer some of the build work (CR3 onwards) and redirect build resources to testing until Build and Test schedules have aligned. **Influencer for action: CP**
- R3.11** Create a new testing workplan with reduced testing and deployment scope. **Influencer for action: CP**
- R3.12** Bring in Testing SMEs to help guide the test planning and delivery. **Influencer for action: CP**

R3 Deployment

- R3.13** Additional workshops for communicating the Release 3 work practices and business impacts to ATO business areas are run over the next 2 to 3 months. **Influencer for action: CP**

Key:

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Overall Workstream Rating: Amber

Criteria	Rating	Key Findings
Resourcing and Accommodation	Red	<ul style="list-style-type: none"> The IA understands that the CP management and the CP Executive are continually addressing the persistent and critical resourcing shortages of the program. Based on our observations, we consider the shortage of business staff for the Adelaide testing facility, represents a critical risk for the CP and if no resolution is found by the end of February, this issue should be immediately escalated to the CP Steering Committee for their intervention and direction. Closely associated with this issue is the shortage of accommodation. The IA recognises, that while not ideal, the current plans and direction of the PMO and CP Executive to place teams in locations that are currently available but geographically dispersed will help address this issue. We endorse this strategy.

Green = On Track

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Mitigating actions in plan

Red = Major issues identified. Impacts to
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Overall Workstream Rating: Red		
Criteria	Rating	Key Findings
R3 Design	Red	<ul style="list-style-type: none"> While changes to the Design team structure have delivered productivity improvements to the Release 3 Design, the key areas of forms, correspondence and codes table are still behind schedule and constraining the work that can be performed in both the Build and Conversion teams. We consider a major breakthrough to closing the outstanding Release 3 design components, as well as ensuring the Superannuation design is completed in the required timeframe, can come from improving the availability and application of resources and the demands on the lead design members, particularly Matt Yannopoulos, Card Ward, Karl Suess and Paul Lambert. <p><u>Recommendations</u></p> <ul style="list-style-type: none"> R3.1 Identify functions and / or responsibilities of each lead design member that could be taken off them and performed by less critical staff or additional staff.

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Overall Workstream Rating: Red

Criteria	Rating	Key Findings
R3 Build	Red	<ul style="list-style-type: none"> The Build team has completed build activity for all four drops of the core ICP solution as well the first Change Request Drop, which will form the basis for the Release 3 Demonstration for the Release 3 Design Stage Gate #4. Despite this progress in the construction of the technical components, there have been significant delays in completing the deployment of Build components into Assembly Test deployments and application shakedown, with issues occurring since September 2006. The delays are evidenced by issues such as Build packages arriving late, packages with incomplete configuration or cannot compile, functional defects and inconsistent test data between environments. Analysis by the IA indicates that many of these issues have deeper causes in the Build, Unit Testing and technical deployment processes, which if not resolved, will continue to cause testing delays, eventually impacting with Testing schedule or the testing / delivery scope. The IA understands that the Change Program is taking corrective action to fix the ongoing issues, with particular emphasis on ensuring better coordination of migration activities and improving inter-team communication. The IA supports these initiatives and has seen improvements in the operations of the Build teams as a result.

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Overall Workstream Rating: Red		
Criteria	Rating	Key Findings
R3 Build	Red	<ul style="list-style-type: none"> • Further addressing of these issues and introducing improvements would come from: <ul style="list-style-type: none"> - Increasing the quality of the Unit and Link testing and tracking and profiling of issues. The IA considers that additional measures to track work quality would assist in further driving down delays and re-work. Additionally, these practices can identify defects found in one stage that should have been detected in earlier phases. - Improvements in the configuration management of test data and code through better tools and supporting processes. - Increasing resource levels for testing support, such as for the Siebel Fix and Migration / Deployment teams. - Ensuring the advances being introduced through the current improvements in coordination and inter-team communication is captured and can be repeated across the various Build teams activities and Release activities. In particular, instituting measures for documenting these corrective processes. • To provide strong basis for the build and test process, the Build/UT and Assembly Test Approach documents should be finalised, as they are currently in draft status without having gone through extensive review.

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Overall Workstream Rating: Red		
Criteria	Rating	Key Findings
R3 Build	Red	<p><u>Recommendations</u></p> <ul style="list-style-type: none"> • R3.2 Review effectiveness of test data management tools and processes. Ensure test data (Reference and Master) is synchronised between all build areas (eg. Siebel, ICP, etc.). Ensure consistent test data between environments (Dev, Assembly Test, Product Test, etc.). Ensure close cooperation between Assembly Test test data and Product Test test data teams. • R3.3 Review effectiveness of configuration management tools and processes. Ensure effective tool is used for Mainframe source code management (ie. Historian has limited functionality, is highly manual and is prone to error). • R3.4 Establish measures for driving Unit Test & Link Test quality. Consider some of the best practises such as reporting the number of defects found in AT that should have been detected in earlier phases (Unit Test & Link Test). • R3.5 Create a dedicated Siebel fix team for Release 3 defects • R3.6 Finalise Build / U nit Test Approach document • R3.7 Finalise Assembly Test Approach document

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R3 Testing	Red	<ul style="list-style-type: none"> Test preparation has started well before Test Strategy and Approach has been agreed. While the IA understands the rationale behind this occurring, this does contravene accepted practice and could result in additional work, time or costs in the testing execution. The likelihood of follow-on issues is further supported by the evidence of recent changes to the Testing Strategy and Approach, which may introduce further rework to the testing materials already produced. We understand that this concern has also been raised by the ATO's testing assurer. In addition, the testing schedule is significantly behind schedule. Test execution is yet to start however build has completed for Drops 3, 4 and CR1. Therefore, the testing timetable is highly compressed which places pressure on successfully meeting the testing outcomes. To maintain direction and quality of build, it is important that testing does not lag any further behind. There is no plan in place to mitigate risks created by the delayed Product Testing schedule. Some work on addressing some of the schedule challenges is considering Product Test execution now being based on delivery of available functionality to the PT environment instead of being based on build drops. However, this plan has not been well defined and would be very difficult to execute. Identification of critical testing outcomes and cases now, will assist in guiding future testing activity if there are further issues in relation to the schedule.

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Criteria	Rating	Key Findings
R3 Testing	Red	<ul style="list-style-type: none"> The CP needs to consider number of options to mitigate risks caused by the delayed testing schedule: <ul style="list-style-type: none"> - Defer some of the build work (CR3 onwards) and redirect build resources to testing until Build and Test schedules have aligned. - Create a new testing workplan with reduced testing and deployment scope - Bring in Testing SMEs to help guide the testing planning and delivery. <p><u>Recommendations</u></p> <ul style="list-style-type: none"> R3.8 Finalise the Product Test Approach, revise the overall test milestones, identify key criteria for assessing the criticality of testing outcomes and scenarios (and ensure the Testing Strategy will accommodate any risk-based prioritisation of work). R3.9 CP Management to prioritise availability of testing resource otherwise test preparation will continue to be delayed R3.10 Defer some of the build work (CR3 onwards) and redirect build resources to testing until Build and Test schedules have aligned. R3.11 Create a new testing workplan with reduced testing and deployment scope R3.12 Bring in testing SMEs to help guide the test planning and delivery.

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Criteria	Rating	Key Findings
R3 Deployment	Green	<ul style="list-style-type: none"> The business process alignment and organisational impacts undertaken by the Deployment in December and January has provided valuable input for the Change Program Deployment activities as well as provided some valuable insight to the ATO business areas on how the Release 3 solutions will operate and impact their practices. In addition, the IA endorses recent discussion and direction from the CP Executive that has commissioned the development of a 'complete picture' of what resources, responsibilities and processes will be required by Business and the Change Program to support Release 3. Based on feedback provided by business areas, ATO business areas are asking for more information on the impacts the Release 3 solutions will have on their work practices and workforce. <p><u>Recommendations</u></p> <ul style="list-style-type: none"> R3.13 Additional workshops for communicating the Release 3 work practices and business impacts to ATO business areas are run over the next 2 to 3 months.

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