

13 Development of ICT Systems by the Department of Justice and Equality

- 13.1** The Department of Justice and Equality (the Department) provides information and communication technology (ICT) support services for many functional areas and agencies within its Vote group. The ICT Division provides ICT support on shared services basis to over 3,000 users in more than 70 locations across the group.
- 13.2** Between 2012 and 2016, ICT projects undertaken by the Department on behalf of agencies included
- a case management system and ancillary developments for the Insolvency Service of Ireland
 - a reporting and registration system and ancillary developments for the Charities Regulatory Authority
 - an on-line licence renewal system for the Private Security Authority.

An outline of the projects is set out in Figure 13.1.

Figure 13.1 List of agencies and key ICT project features

Agency	Key ICT project features
Insolvency Service of Ireland — established as a statutory agency in 2013 to help insolvent debtors resolve their indebtedness.	Case management system for processing of individual debt settlement applications; on-line system for registration, authorisation and management of Personal Insolvency Practitioners (PIP) and Authorised Intermediaries (AI); third party software interface for PIPs and AIs; two new websites; interface with the Courts systems; data mart and enhanced reporting systems.
The Charities Regulatory Authority — established in 2014 as the independent statutory regulator of charities.	On-line reporting and registration system by charities; on-line register for public search; two new websites; on-line concern and query submit forms.
Private Security Authority — established as a statutory agency in 2004 to regulate the private security industry.	On-line system for renewal of security licences by companies and individuals.

Source: The Department of Justice and Equality

¹ Excludes in-house staff time cost. The projects were developed within the existing infrastructure and software, so no expenditure was incurred in that regard.

- 13.3** As set out in Figure 13.2, the Department has incurred direct project costs of around €4.6 million to the end of March 2017 on external contractors such as developers and systems analysts.¹ The expenditure was met from the ICT budgets within the respective non-pay subhead allocations of the three agencies.

Figure 13.2 Direct ICT project costs incurred, as at March 2017

Agency	€000
Insolvency Service of Ireland's project	3,647
Charities Regulatory Authority project	772
Private Security Authority licence renewal system	220
Total	4,639

Source: Department of Justice and Equality

Insolvency Service of Ireland's project

- 13.4** As part of the Troika financial aid programme, the Personal Insolvency Act 2012 reformed the existing bankruptcy legislation and introduced non-judicial debt settlement arrangements to help eligible individuals and businesses address growing levels of debt. Key provisions of the Act included the establishment of a State-run insolvency service to help people manage their debt, and the setting up of three non-judicial voluntary debt settlement procedures. The Insolvency Service of Ireland (the Service) was established on 1 March 2013 under the Act.
- 13.5** During the drafting phase of the legislation, an initial review indicated that the new debt settlement procedures would be relatively complex, and that the processing of each application would require the secure recording of multiple statutory documents, as well as the enforcement of various mandatory business rules. Given the large volume of applications expected (approximately 8,000 per year), a highly-automated IT system was considered the only viable option for their timely and efficient handling.
- 13.6** The Department did not develop a formal business case for the project, and did not set a project budget. The Department has stated that the earliest possible opening of the Service was a top priority for the Government and the Troika and, thus, was the subject of weekly monitoring by the Government and the Cabinet Committee on Mortgage Arrears and by the Troika in their regular reviews. The Department was given the task of setting up the Service, and the Director Designate of the Service took up office in November 2012, while the draft legislation went through the Oireachtas. The Department has stated that the establishment of the Service was a core deliverable in the Troika agreement. An immediately functioning ICT system was required in order that this key national commitment could be met, and was achieved in very pressurised circumstances.
- 13.7** The Department stated that when development of the system began in 2012, the lead analyst from its ICT Division developed the first draft of business processes, by means of meetings and workshops with the Service's staff and legal advisors. In early 2013 development work continued in tandem with the formal establishment of the Service. The use of a Rapid Application Development methodology enabled the Department's ICT Division to be flexible and responsive to evolving and changing business requirements. The project was initiated in a situation where the Service was not formally established and the legislation required to be updated during the course of the project.
- 13.8** The initial case management system went live in September 2013 following the establishment of the Service in March 2013. Since then, there have been several upgrades and functional enhancements, with the current version going live in January 2016. To date, there have been 11 releases for the case management system plus a number of ancillary developments providing additional functionality.

13.9 The Service requested approval in March 2016 to go to the market to identify and cost other external systems that could better meet its business needs. With the agreement of the Service, a decision in this regard was put on hold until an external review was carried out. The review of the existing system commissioned by the Department concluded that

- significant functional gaps remain
- excessive manual processing is required by Service case staff outside the system
- excessive manual interventions are required by the Department's IT staff to progress workflow
- the system does not meet the management information and reporting needs of the Service.

13.10 The external review also highlighted significant project management difficulties, including

- ownership of both the system and the project was not always clear
- changes in personnel resulted in an inconsistent approach and delays
- there was disagreement as to the best approach and assignment of responsibilities for testing
- there were differing views regarding the level of detail required in project plans and other project documentation.

13.11 The Service is currently working on the required documentation to issue a request for tender for the procurement of a replacement on-line case management system, under the oversight of the ICT Governance Group and the Office of Government Procurement.¹ The request for tender will ascertain, based on the response, whether there is a system in the market place that could more effectively meet the business needs rather than committing resources to further in-house development of the existing systems. The Department stated that it is not possible at this time to estimate the cost of a replacement system. The existing system will remain in use until such time as a replacement — if one can be procured — is fully implemented. This is expected to occur at the end of 2018 or early 2019.

The Charities Regulatory Authority project

13.12 The Charities Act 2009 provided for the establishment of an independent national statutory regulator for charitable organisations. The Charities Regulator was established on 16 October 2014 in accordance with the Act.

13.13 The Department's ICT Division developed a system to provide for on-line registration and reporting by charities which went into operation upon the establishment of the Regulator. This system was further developed in September/October 2015 to provide a simplified form for charities which held 'charitable status' from the Revenue Commissioners and for annual reporting. In total, nine releases of this system have been delivered from 2014 until the final release in April 2017.

13.14 While a basic business case analysis for developing the system was prepared, there was no formal budget for the project.

¹ The ICT Governance Group operates in the Department for ICT project governance and monitoring. The membership of the Group has been revised to include two members external to the Department with significant experience of ICT project management.

- 13.15** The Department stated that while the initial developments delivered a functional and operating system to meet the business demands, there were perceived gaps in the overall system functionality based on the experience gained from the start-up that was not foreseen as part of initial requirements.
- 13.16** It stated that, with the benefit of time and hindsight, the Regulator identified a possibility of procuring an established application that would address the revised business requirements in a more cost-effective way than continuing with in-house development. The system will be replaced by a new digital platform to include an on-line registration and reporting system procured by the Regulator.
- 13.17** The ICT Governance Group approved the Regulator going to market to ascertain if that was a feasible proposition. The procurement process was conducted in keeping with the Department's and public sector guidelines, and the business case was approved by the ICT Governance Group which also monitored the progress of the procurement process. The Department stated that robust project management processes were put in place for the procurement and will be further strengthened for the implementation process.
- 13.18** The Department further stated that the new digital platform has now been procured and the process for deploying the new system will begin in the third quarter of 2017. It stated that final full costs for the replacement system are not yet available. On previous experience, it is expected that the existing systems will need to be in operation for at least a further 12 months until the new platform is implemented.

The Private Security Authority licence renewal system

- 13.19** The Private Security Services Act 2004 provided for the establishment of the Private Security Authority as the statutory body with responsibility for licensing and regulating the private security industry in Ireland. The Authority was established on 28 October 2004.
- 13.20** The Authority commenced licensing security contractors in 2006 and security company employees in 2007. The licensing cycle is a two-year cycle — the majority of contractors fall due for renewal in the first year of the cycle and the majority of employees fall due for renewal in the second year. Licensing generated over €3 million in licence fee income in 2016. The objective was to develop an on-line system to process applications for licences and renewals.¹
- 13.21** While a basic business case analysis for developing the system was prepared, there was no formal budget for the project, and no formal structure for overseeing the project.
- 13.22** The first release of the system for employee renewals was completed in June 2016, 12 months after the project commenced. In total, three releases of the system have been delivered since 2016. The phased release of the renewal system for contractors was postponed due to delays in user testing with the employee element, but this became operational from April 2017.

¹ Applications for licences and renewals were originally submitted in manual form to the Authority. The project was initially envisaged as a requirement to automate and move on-line, versions of the manual forms. An on-line application form for individuals commenced in 2015.

- 13.23** The Department stated that following the release of the employee on-line renewal system most of the processes were automated. However, there were a series of scenarios which had not been highlighted that needed system workarounds which were no longer possible. A period of high manual maintenance followed by both Authority staff and the Department's ICT staff. It was decided to postpone the release of the contractors' on-line renewal element and focus on fixing these manual processes. All the issues were fully addressed and the contractor system was made available to the Authority in March 2017.
- 13.24** The Department stated that these issues did not impact the vast majority of the on-line users for whom the system functioned normally. It expects that the system can be used with appropriate updates for as long as the existing licensing case management system is in use.
- 13.25** The Department stated that a specific project board was not put in place as it was originally envisaged as a relatively small two to three month project of limited scope that should not need that level of governance. When difficulties regarding scope and requirements emerged, a business analyst/project manager was assigned to manage requirements and to conduct regular project meetings. These meetings were attended by appropriate levels of staff from the ICT Division and the Authority.

Conclusions and recommendations

- 13.26** The projects, which were different in scale, complexity and background, had a number of shortcomings in relation to planning and oversight as set out in Figure 13.3.

Figure 13.3 Project planning and oversight

Project	Insolvency Service of Ireland	Charities Regulatory Authority	Private Security Authority
Was a comprehensive project budget prepared?	✗	✗	✗
Was a business case prepared?	✗	✓	✓
Was a project board or similar oversight arrangement put in place?	✓	✓	✗
Did the project board meet regularly?	✓	✓	Not applicable

Source: Analysis by Office of the Comptroller and Auditor General

- 13.27** Formal business cases with agreement on what is to be developed, how it is to be developed and costings for each element are essential in informing project oversight as to whether a project should be approved for development or not. Basic business cases were prepared in two cases but not in the case of the Insolvency Service of Ireland's case management system.

Recommendation 13.1

All ICT projects should require a business case that is properly assessed and that has been agreed between the Department and the end user. The business case should set out the business requirements, the expected benefits, the project methodology, the proposed delivery approach, project costs and evaluation of options, as appropriate.

Accounting Officer's response

Agreed. The terms of reference of the ICT Governance Group have been strengthened and a new project business case approval workflow system introduced. All business cases going to the Governance Group now must follow this standard comprehensive template. A Technical Subgroup with appropriate expertise (and including an external member) meets on a monthly basis and performs a robust assessment and vetting of business cases for ICT expenditure prior to their consideration by the full Governance Group. Automated project tracking is in the process of being implemented to reduce the risk of deviation from approved cases without it being brought to the Governance Group for approval.

However, it is important to note in this context that the detailed requirements and design need to be clear and fully understood by all stakeholders. This was not the situation in the case of the Insolvency Service of Ireland developments as the legislation was in draft and the precise operating model of the business was not known at the early stages of this development.

- 13.28** Detailed and realistic budgets assist in the consideration as to whether projects should be approved for development in the first instance. They also enable the monitoring of actual costs, so that potential cost overruns are highlighted at an early stage and remediation actions are possible. The Department stated that the projected spend for the various phases of the projects were agreed between the Department's ICT Division and the individual agencies. Given the various phases and evolving requirements, it was not the practice at that time to devise a specific all-encompassing budget for these projects.

Recommendation 13.2

All ICT projects should have detailed budgets, with estimated costs for each stage of development. Regular comparisons of budgeted expenditure against actual spend should be undertaken and presented to the relevant project oversight group, together with clear explanations of material variances.

Accounting Officer's response

Agreed. The modified project approval and tracking systems recently developed encompass an improved project reporting capability and each project sponsor is responsible for updating their project status on the system on a monthly basis. These updates will flag any deviation from the approved business case in areas of cost or timescales and any projects showing an 'amber' or 'red' status will be reviewed at each Governance Group meeting.

Only in very urgent and exceptional circumstances will a project be initiated without detailed budgetary planning where the priority of the system is deemed critical, as was the case with the Insolvency Service of Ireland project.

- 13.29** There were a number of shortcomings in relation to project governance with a lack of clarity in some cases regarding the project organisation including responsibilities of each party, expectations of various stakeholders and the approach to quality assurance and testing.

Recommendation 13.3

The Department should review its governance approach to planning and managing complex ICT development projects to ensure the system developed is fit for purpose and achieves value for money.

Accounting Officer's response

Agreed. As already set out above, the Department, through its ICT Governance Group, has updated its governance approach to planning and managing complex ICT projects.

The revised approach has been influenced by the lessons learned from previous projects including the Insolvency Service of Ireland and the Charities Regulatory Authority projects.

A greater emphasis will be placed on the management of individual projects once they are approved. Each project sponsor is accountable for the delivery of their project and project boards are required to oversee projects of significant scale. Each project manager is required to submit a monthly status report for review by the ICT Governance Group and projects exhibiting a status of 'amber' or 'red' are further investigated.

To address longer term project reviews, the ICT Governance Group has also established a post implementation review process, through which completed projects are required to attend at the Group meetings and present on project outcomes, achievement of deliverables and lessons learned.

