

10 Roll-out of the Public Services Card

- 10.1 The project to develop a public services card (PSC) was identified in 2004 as an important component for modernising public service delivery by standardising the framework through which public services are accessed and developing the PSC to replace some or all of the existing cards in use.
- 10.2 The key advantage identified for using a single card-based access to public services was that delivery of services becomes substantially more efficient when the means for identifying and authenticating the user are standardised across all government agencies. In addition, the use of a PSC would reduce the rates of fraud and errors caused through incorrect identification and authentication of users of public services.
- 10.3 The Department of Social Protection (DSP) led the project to develop the PSC. The Department of Public Expenditure and Reform (DPER) provided support in terms of policy development, sanctioning of the required project resources and project oversight.¹
- 10.4 This report examines the extent to which the project objectives have been achieved, the project costs, and the manner in which the project was managed.

Project approval

- 10.5 One of the initial significant challenges for the project was to identify and develop a framework for establishing and authenticating the identity of (potential) service users which could be used as a basis for issuing a PSC.
- 10.6 The Government gave approval in June 2004 for the development of a framework and a steering group was established comprising a range of government departments to develop the standard.
- 10.7 Following submission of a joint memorandum by the Ministers for the two Departments, in July 2005, the Government approved, inter-alia, the development of a detailed technical specification required for the procurement of cards/tokens supporting primarily the establishment and authentication of identity for access to public services; and the development of proposals for a comprehensive identity management and privacy policy (IMPP).

1. DPER was part of the Department of Finance when the project commenced. For simplicity, reference throughout the chapter is to DPER.

2. A budget of around €1 million was approved by Government in 2005 for the initial phase of the project to develop the SAFE standard. This was to cover the costs of the standard design, public consultation and communications and research and was to be funded from within the existing resources of DSP and DPER.

Development of the SAFE programme

- 10.8 In 2005, the Standard Authentication Framework Environment (SAFE) programme was initiated to progress the development of a security standard for the PSC.²
- 10.9 The decision to develop a PSC envisaged that it could be used for all existing and future card-based public services over time using the SAFE standard (see Figure 10.1). Even where agencies might need to issue specific cards for their services for operational or legal reasons, the development of the SAFE standard would provide benefits through secure identification and authentication of the user.

Figure 10.1 Summary of Standard Authentication Framework Environment (SAFE)

Level	1 (SAFE1)	2 (SAFE2)	3 (SAFE3)
Level of assurance as to identity	Balance of probabilities	Substantial assurance	Beyond reasonable doubt
Requirements			
Has a Personal Public Services Number	✓	✓	✓
Photo ID e.g. passport, national ID card, driving licence etc.		✓	✓
Signature		✓	✓
Evidence of name, date of birth, sex, mother's birth surname, place of birth and nationality		✓	✓
Documentary evidence of address e.g. utility bill		✓	✓
Biometric data e.g. fingerprint, iris scan			✓
Associated card type	No card	Card with photo and signature	Card with photo, signature and biometric data

Source: Office of the Comptroller and Auditor General

Note: All registrations by DSP are to SAFE level 2, i.e. SAFE2.

Project expenditure

- 10.10** DSP commenced development of the PSC based on the SAFE standard and compatible with the IMPP, to replace the existing social welfare card with a view to issuance commencing in 2007.
- 10.11** The PSC was delivered through a combination of external providers and internal DSP resources with the cost currently expected to be around €60 million, as set out in Figure 10.2.

Figure 10.2 Expenditure to end 2015 and projected costs to end 2017 (incl. VAT)

Cost	Budget at July 2012 €m	Expenditure to 2015 €m	Commitments/ estimates €m	Total to end 2017 €m
Managed service contract				
Development costs	1.8	1.8	–	1.8
Card production	20.3	13.2	9.1	22.3
Helpdesk ^a	1.8	2.5	–	2.5
Change requests	1.0	1.0	–	1.0
Total payable to supplier	24.9	18.5	9.1	27.6
Department staff ^b	27.5	16.8	12.0	28.8
Consultancy and other software development/implementation	1.6	1.3	0.1	1.4
Hardware and maintenance	1.2	0.9	0.1	1.0
Software support and maintenance	0.1	0.4	–	0.4
Administration	–	0.4	0.1	0.5
Total	55.3	38.3	21.4	59.7

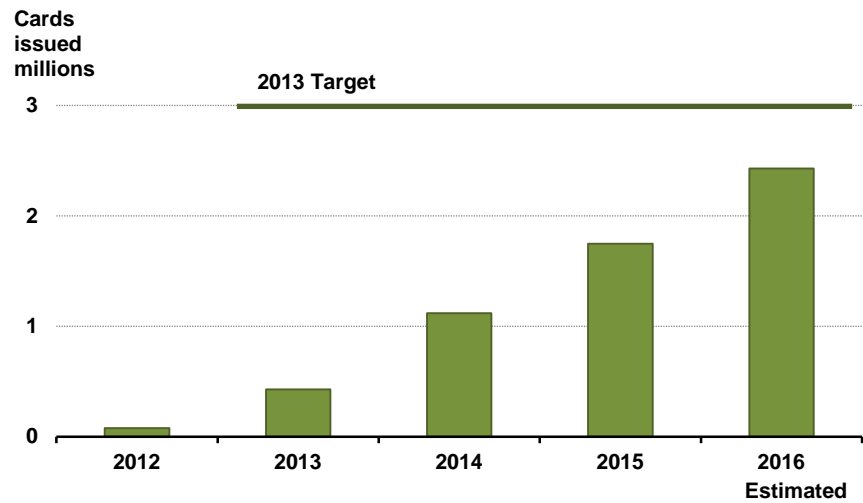
Source: Department of Social Protection

Note: a Helpdesk figures include costs associated with calls from customers to request activation.

b The estimate of staff costs is based on DSP's request for 200 additional staff for a four year period. Staff cost covers only those directly involved in the PSC project and does not include other DSP staff costs e.g. staff involved in the internal upgrade of the ICT systems.

Card production targets

- 10.12** In December 2009, DSP entered into a contract with a supplier at a fixed price of €19.7 million plus 21% VAT to produce 3 million cards by end 2013 - 2,095,000 standard cards and 905,000 free travel variant cards. Included in this price was €1.46 million for initial set-up costs, postal fees of €2.64 million for issuing the card and a personal identification number (PIN) and €1.8 million for helpdesk query handling.
- 10.13** The total number of PSCs produced at end of June 2016 was 2.06 million comprising 1.37 million standard cards and 693,000 free travel variants. This represents 65% and 77% of the respective total of cards to be produced for each category.

Figure 10.3 Cumulative public services card production

Source: Office of the Comptroller and Auditor General

Note: The figure for 2016 is as estimated in the revised 2016 agreement.

10.14 DSP outlined a number of measures put in place to support PSC production

- 160 registration stations are operating at 100 locations each with a capacity to handle 100 registrations per week. This gives sufficient capacity nationwide to register 16,000 per week, and, based on a year of 50 working weeks, 800,000 annually.

DSP has stated that this level of registration is rarely achievable due to a number of factors, including

- clients failing to attend without prior notice
- registrations not being straightforward, e.g. where clients do not have a Personal Public Service Number (PPSN), do not possess a photo ID or may require additional time.
- A mobile SAFE registration solution was in place. Each mobile unit comprises a laptop, high resolution scanner, camera and screen. Use of the mobile units enables registrations to take place mostly in community/congregated settings and (in exceptional circumstances) at the registrant's place of residence. There are currently 19 units in operation with 1,082 individuals registered for the PSC in twelve locations by end August 2016.
- DSP developed a website for accessing public services¹. As of August 2016, services available from the website relate only to DSP, such as appointment services for PPSN and PSC registration, applications for Paternity Benefit, access to the JobsIreland website and jobseekers services.

DSP has stated the discussions are ongoing with other public bodies providing services online, with a view to providing a secure customer verification process for such bodies. It is expected that the first services from Revenue will come on stream before the end of 2016.

¹ www.mygovind.ie

- 10.15** Following issuance of the card to the address verified during the SAFE registration process, holders were requested to activate the card by making a phone call to the helpdesk. DSP explained that, in order to satisfy a requirement from the Office of the Data Protection Commissioner, a process was introduced which required the card recipient to activate the card on receipt by telephoning the helpdesk and answering security questions. While the card activation process confirmed receipt of the card by the correct individual, it does not initiate any functionality of or on the card. Of the 2.06 million cards produced at the end of June 2016, only 1.2 million (58%) had been activated.
- 10.16** DSP has stated that as PSCs are utilised by more service providers, the opportunities for confirmation that cards have been received by the correct person (e.g. by manual inspection or online) have increased. Accordingly, DSP has now removed the requirement for customers to activate the cards.

Project management

Project planning and financial oversight

- 10.17** A key element in project planning is the development of a business case setting out the objectives to be achieved and explaining the basis for the decision to proceed. There is no single business case document for the PSC, setting out at a high level all of the information needed to get the project started (scope, justification, funding, roles and responsibilities), and which communicated this key information to the project's stakeholders. The examination reviewed key project documents supplied by DSP and DPER and assessed the content against a standard business case model the results of which are set out in Figure 10.4.

Figure 10.4 Assessment of project plan against good practice business case

Good practice contents of business case	Issues covered in at least one document
Project specification	
Problem definition	●
Project objectives/scope	●
Key stakeholders	●
Assessment of organisation capacity to undertake project	○
Dependencies	●
Procurement	●
Consequences of not proceeding with project/alternatives	●
Information security/data protection	●
Timeline and work plan	●
Risks	●
Costs and resources	
Staff resources required to support project	●
Projected costs	●
Benefits	
Qualitative and quantitative benefits to the Department	●
Qualitative and quantitative benefits to the customer	●
Project governance and management	
Project structure	●
Project roles	●
Project initiation document	●
Benefits realisation plan	○
Conclusions and recommendations	
	●

Source: Analysis by the Office of the Comptroller and Auditor General of the consultant study 2003, Memorandum to Government 2004, SAFE Business Requirements - 2005, Memorandum to Government 2005, DSP papers and correspondence to DPER in 2009 seeking sanction to proceed with the project and paper on deployment of PSC 2011.

Notes: ● - included
○ - not included
● - partially covered

10.18 Elements of a good practice business case were included in several documents examined. However, there were a number of omissions or partially addressed matters

- A comprehensive estimate of the total projected project costs including the allocation of existing DSP staff was not prepared. The initial estimate of the project cost was developed in September 2009 after the procurement process for a managed service provider had commenced. This covered the expected cost of managed service provider of €24 million¹ and the development of new technical systems estimated at between €1.5 million to €2 million. The first estimate of other project costs such as DSP staff and internal ICT systems upgrades was outlined in a sanction request to DPER in December 2011 following the completion of the pilot to test technical facilities and card registration.²
- There was no initial assessment of DSP's capacity to deliver the project or a formal assessment of the project risks. It is noted that an assessment of risks and capacity was made in the context of a request for staff resources prior to the deployment of the PSC in late 2011.

¹ The budget for the managed service provider element was increased by €2 million to €26.4 million in 2012 to take account of changes to the contract as a result of delays and card enhancements.

² DPER approved 150 clerical posts for the project up to the end of 2013. A subsequent request was made by DSP in February 2014 to seek further staff resourcing and DPER approved an additional 68 temporary staff (i.e. a total of 218 staff) until the end of June 2015.

- Key dependencies were only partially assessed with the capacity of the existing IT infrastructure to deliver the project not evaluated.
- There was no plan setting out how and when the project's benefits would be measured, and who was responsible/accountable for their delivery.
- A single project initiation document (PID) was not prepared at the outset of the project.

Views of the Accounting Officer DSP

10.19 The Accounting Officer has stated in relation to project planning and financial oversight

- It was generally accepted at the time that, given the relatively innovative nature of the project (mass registration of the population to a specific standard and the production and issuance of a sophisticated multi-purpose smart card) and the lack of comparable references (in that no other public or private body had undertaken anything even close to similar), it was not possible to properly estimate any cost until market testing via the procurement process had taken place.
- Prior to 2004 and 2005 Government decisions, DSP had identified the need to replace its Social Security Card and Free Travel Pass and had initiated an internal process to achieve same. The extension of the PSC project to this initiative was mandated by the Government in the decisions mentioned above. A formal project management structure was put in place and associated processes implemented. As required, internal resources were redeployed and requests for additional resources were submitted to DPER. DPER accepted that additional staff would be required at various times to deliver the project and sanctioned these.
- The benefits associated with the project were identified and set out at a high level in the 2004 and 2005 Memoranda for Government and associated papers (including the Account Study into the PSC and the SAFE Business Requirements etc.). The benefits of the PSC and associated services will eventually be accrued across the public service rather than solely by DSP. It was always the case that other public bodies would only start using/requiring the PSC once a significant number of their customers were in possession of one. Therefore, the full identification and realisation of the benefits of the project can only be assessed once other public bodies identify their uses for the PSC and implement these in practice. Accordingly, it was not possible in the early years of the project to produce a plan detailing full benefits potential and means for measuring the achievement of these.
- While a single document PID was not produced in the early 2000s, the constituent elements of a PID are set out in the 2004 and 2005 Memoranda for Government, the Government decisions that resulted from these, and various associated papers (including the Account Study into the PSC and the SAFE Business Requirements). From July 2005 to July 2007 DSP concentrated on the development of the detailed functional specification required for the PSC. It also developed a project proposal for the development and deployment of the PSC, and associated infrastructure. This work was concentrated in and managed by the Client Identity Services division of the Department. This led to a submission on 23 July 2007 to the DSP Management Board which gave its approval to proceed with a project proposal, structure and membership, and with the preparation of a request for tender for an outsourced card management service.

Project delays

- 10.20** DSP developed and advertised a competition for the procurement of a managed service provider for PSC production in 2007 and a preferred supplier was selected in June 2008. However, as the public finances deteriorated, the competition was suspended pending completion of the annual estimates process for 2009.
- 10.21** Subsequently DSP proceeded with the procurement and signed a contract with a managed service provider in December 2009. Under the contract, it was envisaged that production of the cards would commence by autumn 2010 but no later than April 2011. However, pilot production of cards commenced in October 2011 and around 4,000 cards were produced by the year end.
- 10.22** DSP stated that at that time, it incurred an unprecedented and rapid increase in customer numbers and consequent demand for services. It was also required to undertake the integration of two other organisations and introduce significant new processes. All of this led to a significant increase in staffing requirement. In this context, DSP concluded that its central technical infrastructure required significant upgrade and expansion, and had to have priority over all other technical projects. As a consequence, the Department devoted the first half of 2011 to building up the underlying technical infrastructure – this was mainly central server related (throughput, fault tolerance and management capability). This meant that the new PSC functionality could not go live until the autumn 2011.
- 10.23** Initial plans for the PSC included a free travel variant requiring integration with the integrated ticketing system for the public transport network which was simultaneously being developed. The variant was delayed pending the availability of a suitable specification from the Railway Procurement Agency¹ for the integration of the PSC on the ticketing system.

Project costs and variations

- 10.24** The sanction conveyed by DPER in October 2009 included a recommendation that the contract with the supplier should allow for a contract review on an annual basis, and for termination/suspension without penalty in certain circumstances, such as substandard production quality, non-adherence to agreed standards or the availability of the requisite funding. Under the terms of the contract with the service provider, DSP reserved the right to terminate the contract at any stage on payment of reasonable costs accrued to the date of termination.
- 10.25** In mid-2012, the contractor requested a revision of the contract to address commercial implications which it asserted had arisen due to the delays in the development of the PSC by DSP. DSP agreed to amend the price terms of the contract due to the lower than anticipated card production volumes.
- 10.26** During 2015, it was apparent the completion of the contracted 3 million cards by end 2016 was not going to be achieved. In December 2015, DSP received the approval of DPER to negotiate the contract with the managed service provider. Figure 10.5 summarises the changes in contract terms.

¹ This responsibility has since transferred to the National Transport Authority.

Figure 10.5 Summary of changes in managed service contract

	2009	2012	2016	Comment
Unit Cost per card	€	€	€	
Standard card	4.221	4.961	5.375	Rates in 2012 and 2016 are averaged to take account of front-loading of payments due to delays and DSP requested changes.
Free travel variant	5.520	5.901	6.363	
Production costs	€m	€m	€m	
Standard	8.8	10.4	11.3	
Free travel	5.0	5.3	5.7	
Total production costs	13.8	15.7	17.0	
Other costs				
Technical setup	1.5	1.5	1.5	Initial setup costs
Other fixed charges	–	1.3	0.7	Additional software development for free travel variant due to delays with and changes in specification for compatibility with the integrated ticketing system; and phase 2 development and testing.
Postage	2.7	1.8	1.8	Postage cost reduced 50% due to not using PIN.
Helpdesk	1.8	2.1	2.1	Additional costs due to provision of activation procedure through the helpdesk.
Total other costs	6.0	6.7	6.1	
Total	19.8	22.4	23.1	

Source: Office of the Comptroller and Auditor General

10.27 The cost of the contract with the managed service provider has increased by €3.3 million (16%) from the 2009 figure due to contract changes and revisions including

- extension of contract to 2017 at an extra €0.737 per card – €1.28 million
- a kinegram¹ was added after the 2009 contract was signed at a cost per card of €0.38 – €1.14 million
- delays and amendments in relation to free travel card – €0.72 million.

10.28 The 2016 contract provides for an advance payment by DSP in January 2017 of 50% of the cost of the outstanding balance of 3 million cards. The cost of cards produced in 2017 is to be deducted in full from the advance. Also, should the target of 3 million cards not be reached by the end of 2017, the cost of cards not produced will become payable in full.

10.29 In the event that in excess of 3 million cards are produced by 31 December 2017, a discount of 5% will be applied, resulting in a cost per card as follows

- standard PSC €4.3804
- free travel €5.6154.

¹ A kinegram is a diffractive security device embossed into a substrate. It is intended both as a security feature and for visual appeal and introduces increased security to the card to prevent duplication.

Views of the Accounting Officer DSP

- 10.30** DSP has stated that it is satisfied that the revised deadline for the delivery of 3 million cards will be achieved and that payments for the non-delivery of cards will not arise. It also stated that the contract with the managed service provider will come to an end in December 2017 and that it plans to seek tenders for production of PSCs from 1 January 2018.
- 10.31** The Accounting Officer stated that the PSC project is a major piece of public service infrastructure that will in time be leveraged by all public bodies. She stated that the main benefit of PSCs and the SAFE programme relates to the saving in the time spent re-verifying an individual's identity each time a member of the public tries to access a public service – small savings for each interaction with multiple cardholders will represent a considerable overall saving.

Views of the Secretary General DPER

- 10.32** In relation to the extent of the business case, the Secretary General stated that it was important to note, that the issuing of the sanction in October 2009 was the culmination of a five-year process, involving detailed consideration by Government, beginning in June 2004 when the Government approved the development of a standards-based framework for the PSC and the establishment of a Steering Group to oversee the task. A further Government decision issued in July 2005, which included the noting of progress made in developing the SAFE programme, the approval of the development of a technical specification required for procurement of cards and the approval of the development of proposals for a comprehensive national identity management and privacy protection policy. He stated that the sanction which issued in October 2009 was for the development of the card in line with the aforementioned Government decisions and following the development of the SAFE programme, the tendering process and the selection of the preferred bidder.
- 10.33** He stated that DPER accepted that additional staff would be required to deliver the project and that this allocation was sanctioned by DPER in February 2012. The allocation of existing DSP staff to the project was to be met from existing DSP resources.
- 10.34** DPER has also stated that while staffing costs have been estimated to end 2017, sanction is currently only in place to retain the temporary clerical officers until the end of 2016. DSP will be required to engage with DPER in relation to the number of temporary staff needed for 2017. Depending on the outcome of that process, sanction may, for example, be conveyed for a lower number of staff than assumed, with a consequent impact on future costs.

Project benefits*Savings achieved*

- 10.35** DSP stated that the main benefit of the PSC is in the saving of time previously spent re-verifying identity when a member of the public accesses a public service. DSP considers the reduction in the number of people who fraudulently claim to be someone else and a reduction in the potential for forgery as ancillary benefits. DSP did not set a savings target in this area given the difficulties in assessing how many people have been or are engaged in identity fraud.

- 10.36** DSP calculates savings from controls implemented by combining the amount of actual overpayments raised and future payments which it will not be making.
- 10.37** Savings are recorded in respect of persons in receipt of a welfare payment where a person invited to make a SAFE registration does not complete the process, and the payment ceased or was suspended. Savings are not recorded in cases where a new claim made for assistance is abandoned or withdrawn because of failure or inability to complete SAFE registration.
- 10.38** DSP control processes estimate savings by scheme heading and it has estimated that up to end July 2016, savings of €2.5 million were achieved due to the introduction of the PSC.

Figure 10.6 Recorded SAFE registration savings as at end July 2016

Scheme	Fraud and error survey	No of cases with savings	Savings €000	Proportion of scheme recipients registered
Jobseekers Assistance	3.1%	204	1,217	90%
Jobseekers Benefit	1.6%	87	428	84%
Supplementary Welfare Allowance	–	5	11	–
One-parent Family Payment	2.7%	16	334	89%
State Pension Non-Contributory	n/a	2	60	72%
Child Benefit	0.5%	1	5	65%
Household Benefit and Free Travel	–	1,540	447	– ^a
Total		1,855	2,502	66%

Source: Department of Social Protection

Note: a 69% of Household Benefit recipients are registered while 63% of Free Travel recipients are registered.

- 10.39** Included in the above saving of €2.5 million are 131 cases (€1.7 million) of suspected fraud, detected via the facial image matching software that have been referred to DSP's special investigation unit and/or An Garda Síochána. Figure 10.7 gives the status of these 131 cases.

Figure 10.7 Cases of suspected fraud as at July 2016

Status	Number
Concluded - no issue arising in relation to identity fraud	11
Finalised in court, custodial sentence	9
Finalised in court, non-custodial sentence	4
Legal proceedings initiated ^a	22
Investigation underway	70
Not proceeded (mainly due to person leaving the jurisdiction)	15
Total	131

Source: Department of Social Protection

Note: a In one case an international arrest warrant has been sought.

View of the Accounting Officer DSP

- 10.40** The Accounting Officer pointed out that the savings recorded relate to the cases where DSP actually caught the person using a false identity. The Department cannot assess the actual savings that have been made in cases where a person signed off or claimed they no longer needed social assistance/benefit instead of going through the SAFE registration process.

Use of PSC and future developments

- 10.41** In addition to the use by DSP, the PSC and SAFE2 process is being used as follows
- the free travel variant is operational on the public transport network including participating private bus operators
 - first time adult passport applicants must in future possess the PSC
 - the PSC has been added to the list of acceptable forms of ID for external candidates sitting State examinations, electoral purposes, receipt of housing assistance payments, and prison visits.
- 10.42** Use of the card is being piloted or is to commence shortly in the following areas
- as part of driver licence application by the Road Safety Authority, including theory test applications and driver licence renewals
 - a trial issue of PSC to transition year students was completed in May 2016 and an initiative has commenced to roll-out to all transition year students in the 2016/2017 school year.
- 10.43** It was envisaged in a June 2004 Memorandum for the Government, that a central group would examine
- the need for primary legislation on identity management
 - use of the PPSN and PSC in the justice and private health sectors and in the private sector generally
 - the need to create an organisational structure to manage central identity management services nationally.
- 10.44** One of the challenges in extending the use of the public service card infrastructure to other agencies is the need to implement identity access management (IAM) measures. DSP launched the IAM system in February 2016 which is available to other public bodies to authenticate their customers online, based on the PSC and the SAFE2 registration process.¹
- 10.45** In June 2016, the Civil Service Management Board² (CSMB) approved a project to support a broader identity management initiative which would enable other public bodies to utilise the PSC and SAFE process. The project will be jointly led by DSP and DPER through the Office of the Government Chief Information Officer (OGCIO).

¹ www.mygovid.ie

² The Civil Service Management Board (CSMB) is made up of all Secretaries General and Heads of major offices and is chaired by the Secretary General to the Government. Its role includes the management and accountability of cross-cutting projects that involve multiple departments and agencies.

- Public service bodies will be encouraged to use the PSC for identity management and to ensure the identity management programme, encompassing the SAFE2 programme, and the IAM system is fully rolled out and is implemented in a sustainable way. In this regard, it will be mandatory for all new processes being delivered online or digitally to use SAFE2 and the IAM system and a plan should be developed to migrate existing services/processes over time.
- Personal identification processes in the public service will be mapped, with a view to migrating to the broad identification management system.
- Public bodies will be encouraged to require their clients to register to SAFE2 level and use the PSC.
- A public communications programme will be developed and implemented to raise awareness of the benefits of using the IAM system and PSC.

Views of the Secretary General DPER

- 10.46** DPER undertook an in-depth research and consultation exercise on the development of a comprehensive national identity management and privacy protection policy following the Government decision in 2005 which involved a number of discussion papers and consultation with a range of departments and agencies. This led to the development of a draft proposal in 2009 which recommended the centralisation of the management of identity for the public service. Industrial relations concerns were raised regarding the transfer of functions. Further consideration in 2011 noted that it may not be suitable to centralise the function in one line department and that the correct 'home' for identity management was not likely to be clear for some time.
- 10.47** The Secretary General stated that the focus subsequently was to progress the development of the PSC and develop protocols to maximise the use of high-quality data collected during the PSC registration process. DPER worked with DSP to develop a single customer view which takes data from various repositories across the public service and links them. The single customer view has become the next best solution to a single trusted repository of identity information.
- 10.48** He also stated that in line with the development of those protocols, his Department commenced work on issues around data sharing, governance and the security of data which will be key elements of legislation currently being developed. This legislation will provide for the regulation of data sharing between public bodies and for applicable safeguards and conditions. It will also provide for the completion of a privacy impact assessment by those involved in a proposed sharing of data. This will form part of information governance assuring that individuals' rights to privacy and confidentiality are appropriately protected.
- 10.49** Finally, he noted in relation to the 2004 Government decision regarding an identity access management policy that while a general policy might prove beneficial he did not believe that the adoption of the PSC was restricted by the absence of such a policy.

Conclusions

- 10.50** It was originally intended that 3 million public service cards would be produced by the end of 2013. At the end of June 2016, over 2 million cards have been produced. A number of factors including the need to update IT infrastructure have led to the delay. DSP expects that the target of 3 million cards will be delivered by the end of 2017 under revised arrangements with the managed service provider.
- 10.51** DSP expects to incur costs of up to €60 million on developing and issuing PSCs to the end of 2017. The cost of the managed service provider contract increased by over €3 million (16%) due to contract changes and revisions arising from delays in the project and additional security features.
- 10.52** DSP has spent €2.2 million on card activation by June 2016. Just under 60% of cards issued have been activated at the end of June 2016. Activation did not enable or add any functions on the card, it only confirmed receipt of the card by the individual.
- 10.53** Government made a number of decisions in 2004 and 2005 which formed the basis of the PSC project. A business case or project plan was not developed at that time. Business cases should quantify and compare the total costs of a project against the benefits expected in order to inform the decision-making process. In addition, the business case for a project facilitates ongoing review to ensure that continued expenditure represents best value and is affordable, and that the project is capable of being delivered successfully.
- 10.54** In relation to the absence of a business case at the inception of the project or during the implementation phase the Accounting Officer stated that at the time of its inception in the early 2000s, the SAFE/PSC project was a brand new, innovative approach to smart-card usage and identity management which had not been used anywhere else in Government. Similar initiatives in the private sector were in their infancy. Accordingly, it was not possible to build a single detailed business case of the sort envisaged in advance. The Accounting Officer also stated that while a business case had not been developed, the project has been coherently planned and implemented in conjunction with DPER and with the support of relevant decision makers and stakeholders.
- 10.55** Specific costings were only developed in 2009 after the procurement process for the managed service provider commenced and, in 2011, in relation to DSP's required staffing component. It was not evident that a comprehensive risk evaluation and assessment of key dependencies such as reliance on IT systems and organisation capacity was conducted.
- 10.56** DSP did not set a target in relation to savings that were expected to accrue from the introduction of the card as a result of administrative or customer savings in the time spent re-verifying an individual's identity. It also did not set a target for savings that could be expected from the reduction in identity fraud that would be expected to accrue on the introduction of the card.
- 10.57** At July 2016, DSP estimates savings in payments of €2.5 million since the introduction of the PSC, based on the suspension of welfare payments in instances where an individual invited to make a SAFE registration did not do so.

10.58 Progress has been made in developing a comprehensive identity management and privacy policy. In 2016, DSP launched an online system whereby other public bodies can authenticate their customers online. In addition, DPER has stated that it is working on the development of legislation for the regulation of data sharing between public bodies and for applicable safeguards and conditions.

