

EXECUTIVE SUMMARY

DELIVERY CONFIDENCE ASSESSMENT RATING

Unlikely

Successful delivery of the change appears unlikely with major risks or issues in key areas that require urgent management attention. Achievement of the next key milestone is in doubt.

Despite previous agreement of a refreshed delivery plan, and a firm governance commitment to achieving the delivery timeframes, the project will not achieve the current Go Live date of 17 November 2023. Given the project's poor delivery history, and its inability to meet agreed milestones, we have doubts as to whether the project will in fact deliver at all, and we question its continuation.

The project is focussed on the completion of the System Integration Testing (SIT), and we support this approach, given the time and cost to date, and the alternative options available. The completion of the SIT is a crucial milestone for the project, and must determine project continuation or closure. If the project can successfully complete SIT testing and confirm the solution meets the business requirements, it will likely be in a better position for the remaining delivery. However risk still remains, including the cost to complete delivery, along with the support arrangements.

As noted in our previous IQA review, the Project Steering Group (PSG) continues to be pivotal to delivery success, and must hold itself, and its individual members, to account for meeting the agreed re-planned milestones, with clear transparency and visibility.

See **Appendix B** – Delivery Confidence Rating for a full description of the delivery confidence assessment ratings

REVIEW OBJECTIVES

The Ministry of Business, Innovation and Employment (MBIE) engaged David Williams Consulting to provide an Independent Quality Assurance (IQA) Review of the Biometric Capability Update (BCU) Project. This report details the findings of the review, and the recommendations aligned to the agreed objectives and scope.

See **Appendix A** for the detailed Terms of Reference agreed for this engagement.

The key objectives of the BCU Project IQA Review were to:

- Provide an independent view of the effectiveness of the project planning and delivery phases with specific focus on what went well, areas for improvement, and how the project arrived at its current state.
- Provide the Sponsor, Project Steering Group and Delivery Governance Board assurance that the project is well positioned to deliver expected outcomes within time and budget, and to the expected level of quality.
- Identify any strengths and possible areas for improvement and highlight learnings/lessons so they can be incorporated into future projects.

Key Messages

- The BCU project will not achieve the Go Live of 17 November 2023, despite agreement of a refreshed, integrated plan, and a firm governance commitment that the timeframes would be achieved. We have doubts as to whether the project will in fact deliver at all, and we question its continuation.
- The project has encountered several delays in regard to the completion of the foundational documents (i.e. Solution Design(s) Part B – August 2023, updated Business Requirements – June 2023), completion of data migration activity. Unforeseen security vulnerabilities also played a part in the delay. A change request (CR05 – June 2023) only allowed for a three month extension to the Go Live date (31 August to 17 November 2023), and we question whether this was based on good planning or simply delivery desire, given the complexity of the work, the number of issues encountered, and the risks noted.

- The project appears to be in a constant cycle of fighting fires, and missing deadlines. Further re-planning activity is underway, with a focus of completing the priority 1 SIT testing scripts. This is not without risk, and already we see a six week delay of the deployment into the SIT environment at of 18 September 2023.
- The completion of SIT will confirm whether the end to end solution meets the business need, and will determine project continuation or closure. Despite our reservations, we support this approach given the time and costs to date, and the alternative options available. Some of our recommendations are therefore based on the premise of continuation. If the project can successfully complete SIT testing and acceptance, it will likely be in a better position for the remaining delivery, however risk still remains, including the cost to complete delivery, and the support arrangements.
- A set of project continuation criteria has been agreed, and this requires further work to consider other key inputs, and this includes the business case promises (outcomes, benefits) and the ongoing support costs. The agreement of tolerances will also assist in the decision making for project continuation. The development of high level plan(s) to document the alternative arrangements will allow the project to quickly turn its attention to the work required if the decision is made not to continue, including termination of existing contracts. Determining the key messaging for external stakeholders, will also support this work.
- The updating of the PSG ToR will confirm the vendors 'partial' membership that does not include any voting rights, and we'd not expect external vendors to be making decision of behalf of MBIE.
- Updating the milestones in the project status reporting, will allow the PSG the appropriate visibility for holding itself and the project to account for delivery. Similarly gaining senior level commitment for the refreshed delivery plan will be key to delivery success.
- SIT was forecasted as 12 weeks of effort, and this has now increased to 18-20 weeks, and this raises further delay concerns. The project must look at ways to reduce the testing effort, where appropriate, and test cases have been prioritised.
- Finalising the internal and external communications plans, will allow the necessary proactive focus on the communication to key stakeholders, given the project delays to date. This includes the careful management of any further media Official Information Act (OIA) enquiries.
- The work underway to review the Statement(s) of Work (SOW) will confirm the remaining vendor costs, and milestone payments, and we strongly recommend any further payments be based on MBIE's acceptance of the solution within the MBIE environment. Similarly, the agreement of the support arrangements will provide confirmation of the ongoing costs, and is an input into project continuation.

INTRODUCTION

BACKGROUND

The scope of the BCU Project is to deliver an upgrade to the biometrics management software and algorithms to provide improved matching rates, maintain security and supportability, and improve total cost of ownership. It also includes replacement of In-Person Enrolment used by a variety of Immigration New Zealand (IN business functions including Border, Refugee and Compliance.

REVIEW APPROACH

The approach taken included a review of key project documents, and one-on-one discussion with a range of key stakeholders involved in oversight and delivery, to obtain their views of the project. Our review of the provided documentation, and discussion with key stakeholder took place between 18 and 25 September 2023, and reflects the status of the project at that time.

See **Appendix A** for a full list of the documents reviewed and the key stakeholders we met with

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DETAILED FINDINGS AND RECOMMENDATIONS

Based on the detailed findings in this report, the following recommendations should be addressed as a matter of noted priority. The recommendations are broken into key review areas.

GOVERNANCE AND REPORTING

Findings

Governance

- A Project Steering Group (PSG) remains in place for the project, supported by a Terms of Reference (ToR v7.0 7/02/23). We note a new draft version of the PSG ToR (v0.7.1 Draft un-dated) and understand this has been created to update names against roles (where people have left), and put into the new MBIE PowerPoint format. PSG meetings are currently held weekly (fortnightly for full PSG meetings, and internal (MBIE only) PSG meetings in between weeks) due to the red status of the project, and this is appropriate, until such time the project moves back to amber and/or green.
- Membership remains largely the same since our last review, and includes the MBIE joint-Sponsors, NEC Sponsor and Delivery Owner (Senior Supplier), MBIE Business Owner, NEC Delivery Owner (Senior Supplier), System Business Owner and Product Owner (Senior User). NEC representatives attend every second meeting, and this allows for MBIE to discuss any sensitive matters (e.g. budget) in between. We note these meetings are only 30 minutes in duration and don't appear to have formal actions and minutes, and this requires resolution. The PSG ToR includes roles and responsibilities, detailed against the various roles and includes accountability for the delivery and outcomes (MBIE Sponsor) and responsibility for ensuring that the solution meets the requirements (MBIE Business Owner, and NEC Delivery Owner).
- The NEC representatives are noted as being both 'members of the steering group' and 'full members of the steering group', and we do not agree with this. Whilst it is appropriate to have external vendors as member of a steering group, full membership or having voting rights is not accepted practice, and we'd not expect external vendors to be making decision of behalf of MBIE.
- We had noted in our last review, an environment of collaboration and working together in partnership to achieve the desired outcomes had been created. There appears to be some key difference of opinion in the delivery approach, **Section 9(2)(b)(ii)**. This appears to be further exacerbated by some governance decisions that appear to have been either misunderstood or reneged (such as the agreement for concurrent stand up and deployment into multiple environments). Whilst we support the continued partnership approach and (non-voting) governance inclusion of NEC, MBIE has overall accountability for delivery success, must determine the delivery date, ensuring the MBIE project processes are managed appropriately. Despite opinions the November 2023 Go Live date is still achievable, it is not, and the activity needing completion for Go Live extends far beyond the functional testing of the NEC delivered solution (e.g. completion of the Security Accreditation and Certification process, UAT, change management, benefit handover, business handover etc.).
- We also noted the PSG was pivotal to delivery success and having continued strong and effective governance oversight was a key success factor in holding itself, and its individual members, to account for meeting the agreed re-planned milestones, with clear transparency and visibility of the agreed milestones in the project status reporting. An integrated delivery plan (MBIE BCU High Level Schedule – Steering Committee – Baselined 20230424 and accepted risks applied) was agreed, with a Go Live date of August 2023, and despite this many of the milestone have not been achieved.
- Whilst we observe some good discussion occurring with the PSG, and questioning of the delivery progress, there does not appear to have been the proactive governance oversight of some the key tasks and timeframes, in particular ensuing there was appropriate focus on completion of the planning and foundational activities needed to orchestrate delivery following our last review (e.g. completion of the Solution Design Part B – a task that was agreed in October 2022, but only completed in August 2023,

updating the business requirements – again agreed in October 2022, but only completed in June 2023). We discuss this further in the *Delivery Approach and Management Controls* section below.

- Regular meeting are also occurring with the Project Sponsor, Business Owner and Project Manager, and a Monday morning meeting, which includes the Business Owner, Project Manager, Business Systems Owner, and Change Manager, and these are both appropriate. A Business Working Group is also in place; however we did not receive or review their ToR, and we understand this is currently being written.
- The project encountered some further issues that were not anticipated, and this includes security vulnerabilities, and delays in the data migration activity, and as a result the Go Live date moved to November 2023 (CR05). Again this date will not be achieved, and we question the achievability of just a three month extension, given the issues encountered, and whether this date was based on quality planning or simply delivery desire.
- The ongoing delivery delays and associated issues have been escalated and the PSG are keeping the MBIE Delivery Governance Board (DGB) updated, and this is appropriate. We understand there is a planned meeting in October 2023 with visiting Japanese executives to discuss the project and gain senior level commitment for its continuation, and we support this approach

Reporting

- An MBIE Project Status Report (31 Aug 2023) notes the project is 70% complete and has an overall status of red. Budget and schedule are also showing red, and scope, risks, resources and benefits are shown as amber. Issues are shown as green, despite a number of issues including further delivery delays. Several milestones are showing as being overdue by more than 30 days. The Go Live milestone forecast is shown as 19 Jan 24 which is unlikely given the MBIE Xmas/New year closedown, and brown out period. The Commencement of SIT is not shown at all, although the project status report notes 'SIT cutover has taken 5 weeks longer than originally planned and we are yet to open the front doors'.
- An NEC Project Status Report (01/09/2023) has an overall status of red for BCU and green for IPE. Schedule is shown as red, scope, resources commercial as amber, and budget and relationship as green. It notes milestone (NEC) SIT delivery as 07-Mar-2023 (complete), and UAT Delivery as Sept 2023 (90% complete).
- The PSG meeting minutes (20230908) notes the forecasted Go Live date had moved. They further note it would not be acceptable to NEC for the dates to move out further than February 2024, and that NEC can't take the risk of a March Go Live date, and it can't go further than February to have this completed.

Recommendations

ID	Recommendation	Priority / Owner
2.1	Update the PSG ToR to clarify the 'non-voting' membership of the NEC representatives. There is a PSG that details the role, responsibilities and decision making of the PSG and its members. The NEC representatives are noted in section 6. Individual Roles and Responsibilities, as being 'members of the steering group' whereas the MBIE representatives are shown as 'full members of the steering group'. However we also note in section 8.6 Vendor Participation, it states the two NEC representatives as 'full members of the steering group' and we do not agree with this. Whilst it is appropriate to have external vendors as member of a PSG, full membership or voting rights is not accepted practice. External vendors should never have full voting rights and MBIE can't pass on its delivery accountability to anyone, and as a result we'd not expect external vendors to be making decision of behalf of MBIE. We also note The ToR states 'The final decision for all other matters rests with the Chair of the Steering Group', and this is appropriate.	Critical Project Sponsor Mid-October 2023

ID	Recommendation	Priority / Owner
	The PSG ToR must be updated to clearly state NEC are not full members, and do not have any non-voting rights.	
2.2	Expanding the duration of the (MBIE only) PSG meetings Formalise the decision making, actions and minutes The PSG meetings are occurring each week, with just the MBIE members meeting every second week. This allows for MBIE to discuss any sensitive matters (e.g. budget) in between. We note these meetings are only 30 minutes in duration and don't appear to have formal actions and minutes. Given the current status of the project, we recommend the meetings are changed to 60 minutes in duration. As with any governance meeting, we'd expect formal minutes to be taken, along with an action log of any agreed actions or decisions.	Critical Project Sponsor Mid-October 2023
2.3	Update the Project Status report milestones Ensure continued PSG oversight of the delivery An MBIE Project Status Report (31 Aug 2023) notes the project is 70% complete and includes number of milestones. Several of the milestones are showing overdue by more than 30 days (e.g. Commence UAT Testing Support and Operating Model Approved). The Go Live milestone forecast is shown as 19 Jan 24. The Commencement of SIT is not shown at all, although the Project Status Report notes 'SIT cutover has taken six weeks longer than originally planned and we are yet to open the front doors'. The project is currently undergoing re-planning, and once complete, the Project Status report milestones must be updated (and aligned with the vendor project status report milestones), pending approval of CR06. The project has been delayed multiple times, and further delays can no longer be tolerated. We are pleased to see both 'Baseline' and 'Forecast' dates included in the reporting – this highlights any potential future slippage and allows the PSG to take a more proactive approach in helping the project to mitigate and manage delivery. A key lesson for the project (and PSG) is ensuring there is a necessary 'lead time' for upcoming activity, with data migration and the stand up of the SIT environment are prime examples.	Critical Project Manager End October 2023
2.4	Gain senior level commitment for the new delivery plan As part of the re-planning activity, there must be agreement of the updated delivery plan by all parties. The PSG meeting minutes (20230908) note the forecasted Go Live date 'had slid into March 2024 and the project managers were working to try and bring it back to February'. They also note that 'it would not be acceptable to NEC for the dates to move out further than February, and that a commitment to speed is required, that where previous items were running in parallel, some items are singular now'. It was also noted that the end of financial year is March 31st, and 'that NEC can't take the risk of a March Go Live date, and NEC can't go further than February to have this completed.'. We understand NEC have indicated they will charge between \$350k -750k per month if the project Go Live is delayed beyond November 2023 to retain resources and keep environments running. This is of concern, and	High Project Manager End October 2023

ID	Recommendation	Priority / Owner
	using an estimate of \$400k/month this will total \$2.8m for a 7 month period December 2023-June 2024. The project re-planning indicates Go Live will be beyond March 2024, and this will require careful management at a senior level. The ongoing delivery delays and associated issues have been escalated and the PSG are keeping the MBIE Delivery Governance Board (DGB) updated, and this is appropriate. We understand there is a planned meeting in October 2023 with visiting Japanese NEC executives to discuss the project and gain senior level commitment for its continuation, and we support this approach. The discussion must include the indicated costs noted above.	

DELIVERY AND MANAGEMENT CONTROLS

Findings

Management

- The relationship at a project delivery level appears to be productive, although there was some clear frustration expressed by both parties during our interviews in terms of the delivery approach, and agreement of the delivery timeframes. This is an ongoing success factor for the project, and there must be continued strong communication, collaboration and mutual agreement of the agreed delivery plan, that considers both the need for haste, whilst allowing the appropriate sequencing and necessary time to ensure a fit for purpose solution is delivered, aligned to MBIEs delivery frameworks. Whilst the views and input of all parties is important, MBIE must maintain overall accountability for delivery, and acceptance of the solution, to the business requirements and agreed acceptance criteria.
- There are various meetings occurring including daily all-vendor meetings using a Confluence Board (what doing, what coming up etc.), and twice daily triage meetings to work through defects, and are appropriate.

Scope

- The scope has changed throughout the planning and delivery lifecycle due to ongoing discovery activities, late development of the foundational artefacts, and a clear understanding of the business requirements/solution. At the time of our last review there was agreement that delivery would be to functional requirements v1.3 (28/4/2022), albeit the requirements would be reviewed and updated. The current delivery is to functional requirements v1.6 (approved 10 June 2023) as the baselined requirements. Non-functional requirements are the same version as our last review. Reporting, monitoring and alerting requirements are captured in documents Morning Report Requirements v 1.0 Approved (16/06/2023) and Monitoring and Alerting Requirements v1.0 Approved (16 June 2023).
- Despite a desire for a Commercial off the Shelf (COTS) solution, much of the solution has been highly customised. We understand the requirements were based on the current workflows with IDme and the project missed an opportunity to review current (IDme) business processes, and make the appropriate changes to ensure the solution was 'configured' rather than 'customised'. This is typically a key component of the design workshops, where the vendor presents options to deliver the solution and allows for adjustments to be made to requirements and/or business processes to align with the system workflows, thus maintaining configurability. This will likely have an impact on the support arrangements, and we discuss further in the *Contractual Arrangements* section below.

Time

- A key milestone in our previous review was agreement to get into SIT by 17 October 2022, based on a date provided by NEC, and there was firm governance commitment to achieve. Despite this, SIT delivery (within the NEC environment) is noted as being complete 07-Mar-2023. Delivery into the MBIE SIT environment was updated in CR04, which notes SIT entry as 28 February 2023, and CR05 further revised the date to 30 June 2023. The Go Live date also moved from August 2023 to November 2023 and we

question whether this date was ever achievable, given the substantial change impacts detailed in the CR. CR05 also noted 'based on the probability of the risks, another change request is likely to be required in the coming months', and this raises concerns of further known, but unaccounted for, delay.

- The current forecasts are detailed in the agreed integrated delivery plan (MBIE BCU High Level Schedule – Steering Committee – Baseline 20230424 and accepted risks applied) and notes 16/10/23 for completion of UAT testing, 23/8/23 for pre-production cut over and DR testing, and 8/11/23 for Go Live. The integrated delivery plan notes SIT commencement on 17/08/2023, however this is currently running some six weeks behind schedule due to a number of cutover issues 'to open the front doors' and allow smoke testing to commence, prior to beginning functional/non-functional testing (including penetration testing).
- A recently updated draft delivery schedule (BCU SIT 22 Sep 2023) notes SIT smoke testing commencing 6/10/2023 and priority 1 functional/non-functional SIT testing commencing 9/10/2023. We discuss this further in the *Re-planning and Delivery* section below.

Budget

- The project costs are captured in the Project Finance Template – MASTER spreadsheet. CR05 requested additional capex and opex and notes the total project delivery costs as \$21,794,944 capex and \$4,337,653 opex, and a whole of life (WoLC) of \$31,949,202, and includes the support costs. The finance spreadsheet notes the total project delivery costs as \$29,547,151 capex and \$7,045,237 opex (a combined total of \$36,562,387), and a WoLC of \$43,432,464 and again includes the support costs.

Change Requests

- Since our last review MBIE change request (CR) 05 has been raised and approved, with the impacts on time and cost noted above.

- Section 6(c)

We understand MBIE has agreed to \$220,150 worth of CR's to date (signed and paid), and there are some \$580,000 worth of CRs under review (noting some of the costs are MBIE's estimates at this stage). We discuss this further in the *Contractual Arrangements* section below. We understand it was agreed all NEC CRs would go the PSG for discussion/approval, but the sheer volume means this has not always been the case. We'd expect all NEC CR's to be reviewed and endorsed by appropriate MBIE roles (e.g. Project Manager, System Business Owner, Business Owner, Commercial/Contract Manager, PMO Assurance Advisor etc.), prior to Sponsor sign off.

Resources

- Resources appear to be appropriate at this stage, however the re-planning will need to review resource requirements, especially with external vendors, based on the further delayed timeframes.
- There is reference in the MBIE Project Status Report (31-Aug-2023) referencing 'resourcing being under pressure during concurrent SIT and UAT phases due the utilisation of the same resources, however the re-planning has somewhat separated the SIT and UAT activity'. We note there is delivery activity occurring from mid-January 2024, and INZ is also approaching its busy period. We discuss this further in the *Re-planning and Delivery* section below.
- We understand NEC New Zealand has increased the New Zealand based resources, however we do not have visibility of this detail, and given will no longer provide level 2 support, we question these resources.

Risks and issues

- There are 15 open risks recorded in the Risk Register (Risk Schedule 13 Sep 2023) that cover some of the expected risks. CR05 noted a number of risks, and it does not appear these are all articulated in the risk register as we'd expect.
- There is just one issue noted in the Issue Register (Project Server Issues Extract 20230914), and this does not appropriately represent the current situation, where the project is facing further delays.

Stakeholder Engagement, Communications and Change Management

- An INTERNAL Biometrics Capability Update Communications plan (version 4 1 February 2023) details the planned internal communications to Immigration New Zealand (INZ) people. A table of key dates and deliverables show the planned communications, but it is unclear on the activity to date.
- An EXTERNAL Biometrics Capability Update Communications plan (version 5 10 February 2023) details the planned external communications. Again we do not see the communication activity to date, however we do see several Official Information Act (OIA) requests from media, along with the MBIE responses. Given the further delays, there would be benefit in preparing some proactive external communications.
- A Master BCU Business Change Management Plan (version 0.9 August 2023) details the business change activities that are required to successfully implement the project. It has some excellent detail including how the change will be defined and managed, and includes the learning (training) aspects. It notes the first draft of key Standard Operating Procedures (SOPs), and User Guides would be completed prior to SIT, and we understand these will be updated in SIT with screen shots and workflows tweaks. Lastly, we note the plan is still not signed off, and was a recommendation in our previous IQA.

Quality

- The Quality Plan remains the same as our last review, and details the artefacts that are to be produced by MBIE and its delivery partners, along with who will provide the peer review and sign off. Quality aspects are also built into the various project artefacts (e.g. entry, and exit criteria, and acceptance criteria in the Test Plan).
- Collaboration tools are in place and include a TeamSite instance with NEC, as well as access to Confluence and Azure DevOps etc. for all delivery parties. Now that much of the NEC development work is complete, there has been a shift from NECAM in the USA to India. This has impacted accesses into MBIE systems as India is not part of Five Eyes intelligence Alliance, and this is appropriate.
- As noted in our last review, there must be continued efforts to ensure discussions involve the appropriate parties (e.g. testers talking to developers to explain defects) where required, rather than everything having to be filtered through NEC New Zealand.
- There are a number of lessons that have been captured in the lessons register, and these include scope management, and the complexity of the solution not being well understood.

Recommendations

ID	Recommendation	Priority / Owner
2.5	Review and update the risk and issues There are 15 open risks recorded in the Risk Register (Risk Schedule 13 Sep 2023) that cover some of the expected risks (e.g. concurrent implementation into SIT and UAT, the project is stopped before Go Live). CR05 noted a number of risks, and it does not appear these are all captured in the risk register (e.g. if SIT testing uncovers a significant number of defects, then the project could be delayed). There are also risks associated with delivery of the business case promises (e.g. the project doesn't deliver the outcomes or enable the benefits), and business acceptance (e.g. business buy in of the solution). There is just one issue noted in the Issue Register (Project Server Issues Extract 20230914), and this does not represent the current situation where the project is facing further delivery delays. We'd expect to see issues captured around the current SIT deployment, the project having to go back to Cabinet as it has gone over the \$35m threshold, NEC's stance on not being able to Go Live after June 2024. As part of the current re-planning, the project must review and update the risk and issues to reflect the current issues and the risks with the remaining	High Project Manager End October 2023

ID	Recommendation	Priority / Owner
	delivery. Having well thought out and managed risks is a key success factor for the project in managing any further delays.	
2.6	Review, update and approve the Internal Communications Plan An INTERNAL Biometrics Capability Update Communications plan (version 4 1 February 2023) details the planned internal communication activities. It contains detail in regard to the key messages, risks/mitigations, and the phased communications approach. A table of key dates and deliverables details the planned communications across four phases, and notes 'This communications plan will be regularly reviewed and updated as the project progresses, with comms products (emails, articles) to be added as appendices as they are delivered.' A number of the dates have passed (e.g. Phase 1: Announce – January-February 2023, Phase 2: Update – May 2023, Outcome of testing – TBC May 2023), and it is unclear on the activity to date, and the success of these communications. We do however note an 'Announcement' message in the Appendix from the DCE INZ, but the date is shown as 'TBC'. The plan requires review following re-planning, the dates updating and the key messaging to date adding to the appendix. Given the delays experienced by the project, there would be benefit in providing an update to internal stakeholders, once re-planning has been completed. We also note the plan appears to be unsigned and recommended this is completed, given communications span the life of the project.	High Project Manager Communications Lead End October 2023
2.7	Review, update and approve the External Communications Plan Prepare the proactive external communications and media OIA responses An EXTERNAL Biometrics Capability Update Communications plan (version 5 10 February 2023) details the planned external communications. It contains detail in regard to the key messages, risks/mitigations, and the phased communications approach. Again we do not see the communications to date included in the appendix. The plan requires review following re-planning, the dates updating and the key messaging to date adding to the appendix. It appears the plan remains unsigned and we recommended this is completed with some urgency. We do see several media Official Information Act (OIA) requests, along with the MBIE responses, included in the appendix. The requests include information on delivery dates that have passed and costings, and this raises concerns given there will be further delay and cost increases. We recommend the project works with the MBIE communications team to think about the proactive communications that could be prepared, following re-planning, to manage external stakeholders and any further OIA's requests, which appear highly likely.	High Project Manager Communications Lead End October 2023

RE-PLANNING AND DELIVERY

Findings

Re-planning

- The project has a history of poor planning and delivery, and there appears to have been a clear misalignment between the business requirements, and the complexity of what was required to deliver a fit for purpose solution, within achievable timeframes. Foundational documents have been updated multiple times since our last review, and their late delivery has undoubtedly contributed to the delays (for example there was agreement to update the solution design documents in October 2022, and see this work was not completed until August 2023. Similarly the review/update of business requirements were only approved in June 2023). We see an additional CR (CR05) raised and approved since our last review and we question the achievability of the dates shown. The project is running a number of years later than anticipated, and the costs have increased significantly. The project will need to undergo cabinet oversight as a result of exceeding the WoLC of the \$35,000,000 threshold. The foundational documents however appear stable, and there must be agreement these form the basis of the initial Go Live (excluding any major admissions).
- Further re-planning is underway, and changes to scope, time and cost will be detailed in CR06 (not drafted at the time of this review), with a focus on SIT completion and the completion of UAT Load Testing. Deployment into SIT is already running six weeks late, at of 18 September 2023. An updated draft delivery schedule (BCU SIT 22 Sep 2023) details SIT testing (functional/non-functional requirements) between 9/10/23 and 19/03/2024. Detailed testing activity in the draft schedule includes, accessibility testing (24/10/23- 5/3/20), penetration testing (28/11/23-29/2/24). Business Acceptance Testing (BAT) (23/1/24-5/3/24) and UAT (15/1/24-19/3/24). A memo was prepared for DGB in September 2023 and covered four options, Pause, Stop, Continue, and Concentrate on SIT, and deferred its decision until the completion of SIT priority 1 testing.
- We understand NEC have indicated they will charge between \$350k -750k per month if the project Go Live is delayed beyond November 2023 to retain resources and keep environments running. This is of concern, considering the project will not achieve the November timeframe. Using an estimate of \$400k/month this will total \$2.8m for a 7 month period December 2023-June 2024. We discuss this further in the *Contractual Arrangements* section below.
- SIT testing was estimated at 12 weeks of effort, and has increased to 18-20 weeks, and this also raises concerns. We discuss this further in the *Testing and Validation* section below.
- A number of governance Go/No Go (continuation) decisions have been included in the draft schedule, and we strongly support this approach. The agreement of the continuation criteria is a key factor for determining whether the project should continue or be closed. Some work is required to further strength the criteria and agree the acceptable tolerances.
- Upon acceptance of continuation, there are plans to raise an additional CR – CR07 to confirm the delivery timeframes and costs for the remaining activity. Again we support this cautious, fact based approach, given the project's history of missing previously agreed milestones. We would however expect CR06 to include some forecasted time and costs for the remaining delivery – noting they will be confirmed in CR07.
- It appears there was previous PSG agreement for concurrent deployment into SIT and UAT. Whilst we support the concurrent stand up of the environments, and the data migration activity to a degree, the recent delays in standing up the SIT environment are cause for this work to be staggered, so the project can learn and adapt.
- The deployment of the solution into UAT (software and integrations) should only occur at such time that solution has been appropriately tested in SIT, and the code is stable. We would still expect to see some cross over, with the solution being deployed into UAT well before SIT testing is complete. We'd expect a similar approach to progress deployment into Pre-production once there is confidence UAT acceptance criteria had been met.

- We note that there is delivery activity occurring from mid-January 2024, and Immigration New Zealand is also approaching its busy period. A review of resources availability is required to ensure availability over the Xmas/New Year period.

Design and integration

- The BCU Application Solution-Design-Part B (version 1.1 03/08/2023) details the application considerations, and the BCU Infrastructure – SIT Solution Design Part B_v4.10 (15/11/2022) details the infrastructure considerations from all parties. We understand both design documents have undergone appropriate internal review and endorsement. The design work has taken longer than expected, and we understand there was only high level detail provided by NEC in their design, and further work was needed to expand to an acceptable level with the MBIE design documents. A lack of workshops/demos to discuss the requirements and solution design, across relevant parties contributed to the delays, as did the departure of the previous Lead Architect. The project likely would have also benefitted by having an Enterprise Architecture involved in the development of the designs with knowledge of the complex MBIE infrastructure.
- We understand data migration into SIT has been completed, albeit with some delay, with further migration to be completed into UAT.

Security

- Two risk assessments have been completed for the project (IDme/IPE) and we understand there are clear security entry and exit criteria documented. We understand some s9(2)(b)(ii) were discovered from the vulnerability testing carried out, and the majority of these have now been resolved (including all the critical and high's) to allow the project to proceed into the SIT environment. Whilst we did not review, we understand there is a memo that provides confirmation of the resolution of the issues, and commitments to advise if any Section 9(2)(b)(ii), but not resolved. We further understand this is being added to the Support SOW and this is appropriate. We discuss this further in the *Contractual Arrangements* section below.
- We also understand the Penetration test provider changed, and this caused some delays in the PEN testing.

Implementation

- A BCU SIT CUTOVER Implementation Plan – (v. 62) 20230915 details the steps required to complete the stand up of the SIT environment and deployment of the solution, including the integrations. The tasks are broken into phases (e.g. pre migration, migration, post migration), and for each tasks there is a start date, estimate of duration of effort, actual effort, status, and owner. Several of the tasks have been completed, although at the time of our review the SIT deployment was running some six weeks late, due to issues encountered. We also note several of the of the tasks show the 'actual effort' as being longer than the 'estimated effort'.
- As noted previously, there have been some challenges standing up the SIT environment, enabling the integration with other key systems, and deploying the software. Getting into SIT to allow end to end workflow and integration testing to commence will be a significant 'win' for the project .
- Whilst there has been some activity to stand up the other environments (i.e. UAT, Pre-production), this work has been put on hold until the decision has been made on project continuation.

Recommendations

ID	Recommendation	Priority / Owner
2.8	Complete the re-planning and gain vendor acceptance Update the integrated project schedule and ensure it contains the necessary depth and breadth, and is achievable Re-planning is underway, and must be completed with some urgency to bring the necessary stability to the project, and the agreement of a clear and achievable delivery path that is agreed by all parties. The	Critical Project Manager End October 2023

ID	Recommendation	Priority / Owner
	foundational documents (business requirements, solution design) appear stable, and there must be agreement these form the basis of the initial Go Live (albeit excluding any major admissions). Changes to scope, time and cost will be detailed in CR06 (not drafted at the time of this review), with a focus on SIT completion and the completion of UAT Load Testing. A memo was prepared for DGB in September 2023 and covered four options, Pause, Stop, Continue, and Concentrate on SIT, and DGB deferred its decision until the completion of SIT priority 1 testing. Whilst we support this cautious approach, we would also expect CR06 to provide an estimate of the remaining time and costs for the life of the project. An updated draft integrated delivery schedule (BCU SIT 22 Sep 2023) shows SIT smoke testing commencing 6/10/2023 and priority 1 functional/non-functional testing occurring between 9/10/2023 and 19/03/2024. The project must ensure that the updated schedule contains the necessary depth and breadth of information, and is achievable. The project has been delayed multiple times, and further delays can no longer be tolerated – the updated scheduled must be socialised amongst the appropriate vendors to gain agreement of its achievability and their buy in. A key lesson for the project is ensuring there are the necessary ‘lead times’ for any pre-work (e.g. setting up the various environments, completion of data migration) and we discuss this further in <i>recommendation 2.13</i>). Upon acceptance of continuation, there are plans to raise an additional change request (CR07) to confirm the delivery timeframes and costs for the remaining activity. Again we support this cautious, fact based approach, given the project’s history of missing previously agreed milestones.	
2.9	Confirm the remaining delivery budget The project costs are captured in the Project Finance Template – MASTER spreadsheet. Current forecasts note the total project delivery costs as \$29,547,151 capex and \$7,045,237 opex (a combined total of \$36,562,387), and a WoLC of \$43,432,464 and this includes the support costs. As part of the re-planning, the project must confirm the remaining delivery costs. We understand NEC will request additional money for delays, and these must be carefully managed. We further understand other vendors (e.g. DXC, InTech, and One New Zealand) have requested additional funding. Whilst CR07 will be raised to confirm the cost for the remaining activity post SIT and UAT Load Testing, we would also expect CR06 to provide an estimate of the remaining cost for the life of the project.	Critical Project Manager End October 2023
2.10	Confirm the continuation criteria and the tolerances A number of governance Go/No Go decisions have been included in the draft schedule (e.g. priority 1 test, PEN testing, Security Assurance	Critical Project Sponsor Project Manager

ID	Recommendation	Priority / Owner
	Testing), and we strongly support this approach to determine project continuation or closure. We understand the priority 1 Go/No Go decision aligns to the priority 1 test scripts which covers the appropriate end to end workflow testing, and all integrations. The agreement of robust continuation criteria is pivotal to project continuation. Some work is required however to further strength the criteria, and agree the acceptable tolerances, and this includes: • The Business Case (v0.9.1 06/08/2019) details a number of outcomes, including some cost savings. We recommend the business case promises are reviewed in terms of whether the project will deliver the expects outcomes (and enable benefit delivery), and this should form part of the decision making for project continuation. • We understand NEC will be requesting additional money for delays (CR pending), and also other vendors (e.g. DXC and One New Zealand) will also request additional money. There must be consideration given to the WoLC as part of project continuation. • Negotiation is currently underway to agree the ongoing support costs, and we understand Datacom will now provide level 1 and 2 support, with NEC providing level 3 support. The support costs should also form part of the continuation criteria, in particular the ongoing releases. The BCU solution is a bespoke solution, and NEC may need to do significant work to complete a 'unique' release for MBIE. MBIE may also need to complete detailed testing, and this will incur internal test team costs. Agreeing a set of tolerances go hand in hand with the continuation criteria, given the projects poor delivery history – a good example is the current six week delay into SIT. We recommend the project determine the acceptable tolerances for continuation, and this could include changes to scope, cost, and time.	End October 2023
2.11	Confirm the day one must haves and align to the Go/No Go decision making The test scripts are being grouped by test priority. We understand the priority 1 test scripts covers the appropriate end to end workflow testing, and all integrations as noted below. Functional Tests across • IBW • SmartScan • Insights • MBIS • Central LMS • Reveal • Recovery from Ironkey • RBAC	High Business Owner Project Manager Test Manager End October 2023

ID	Recommendation	Priority / Owner
	All Crit 1 and 2 defects remediated and an agreed Defect Plan for all Crit 3 and lower. Integration tests include: • IQOffice • IDMe • MSMQ • PQC • IGMS • ETA • DMS • APIM • AMS • FCC All Crit 1 and 2 defects remediated and an agreed Defect Plan for all Crit 3 and lower. The priority 1 Go/No Go decision is aligned to the priority 1 testing and this is appropriate. It is unclear however what is included in the remaining priority testing, and what level of testing is needed to accept the solution for Go Live. There would be benefit in the project determining the day one must have needed for an initial Go Live – for example this could be completion/acceptance of the priority 1-3 test scripts, and priority 4 may be deemed 'nice to have'.	
2.12	Look for ways to manage parallel work to gain time Review resource availability over the Xmas/New Year period It appears there was previous PSG agreement for concurrent deployment into SIT and UAT, and we support the concurrent stand up of the environments, and the data migration activity to a degree. However the recent delays in standing up the SIT environment, are cause for this work to be staggered, so the project can learn and adapt. We understand there has been some activity underway to stand up the other environments/complete data migration, and the project manager has recommended pausing activity beyond SIT until the initial Go/No Go decision stage gate has been reached, and continuation agreed. This is partially due the monthly burn rate for resources, which is in excess of \$400k. We support this approach, and the desire to control further spend until there is agreement on project continuation as a result of SIT. The risk of this approach however is that it will result in further delay, and there must be agreement when this activity will resume, ensuring resources are available, especially over the Xmas/New Year period, and INZ's busy period. The deployment of the solution into UAT (software and integrations) should only occur at such time that solution has been appropriately tested in SIT, the defects fixed and the code is stable. We understand the project is discussing the criteria and this includes the priority 1 test	High Business Owner Test Manager Project Manager Ongoing

ID	Recommendation	Priority / Owner
	cases (severity 1 and 2 defects fixed), and the workflow penetration testing. We would still expect to see some crossover however, including into the other environments. The project must constantly look for opportunities to speed up delivery, whilst balancing risk and/or re-work.	
2.13	Capture the SIT deployment lessons Allow for the necessary lead time The commencement of SIT testing was forecast for the 17 August 2023, and currently running some six weeks behind schedule due to a number of cutover issue. Once SIT has been completed, the project must capture the lessons from the SIT deployment, so these can be applied to the stand up of the other environments. This includes any lessons around allowing for the necessary lead times to complete the work. We have noted in <i>recommendation 2.12</i> above that ensuring resource availability is also a key consideration.	High Project Manager End October 2023
2.14	Determine the alternative options, and document the high level plans Determine the key messaging A number of Go/No Go stage gates have been agreed to determine project continuation. In the cases of the latter, there would be benefit in the project thinking through the alternative options (e.g. enhancing IDme, going back to market), and documenting the high level plans, including how the termination of the current contractual arrangements would be managed. This will allow the project to quickly turn its attention to the work required to procure the resources to start to enact the plan. Similarly, preparing the key messages for external and internal stakeholders, including ministers and media would support any decisions not to continue.	High Project Sponsor Business Owner System Owner Project Manager End November 2023

TESTING AND VALIDATION

Findings

Testing

- An MBIE BCU – Biometrics Capability Update Test Strategy (version 2.0.1 final 27/10/2022) provides a test overview, scope, test approach, test team structure and roles, testing schedule and environments, test management procedure, and assumptions, dependencies, risks and issues. The plan states 'Component/System Testing' is the responsibility of the 'Vendor Dev/Test Team' and 'System Integration Testing' is the responsibility of the 'MBIE BCU Test Team'. The strategy also notes SIT will be completed in the MBIE hosted environment. There are defined SIT entry criteria (e.g. test exit reports from system testing, no open severity 1 and 2 defects, 3 and 4 severity defects accepted with an agreed remediation plan) and SIT exit criteria (e.g. all test cases executed, no open severity 1 and 2 defects, 3 and 4 severity defects accepted with an agreed remediation plan).
- An MBIE BCU – Biometrics Capability Update Test Plan (version 2.03 09/June/2023) largely repeats the information in the test strategy including the same SIT entry and exit criteria. The plan has several appendices and includes the test types, functional requirements in scope, and traceability matrix, with links. A Traceability Matrix maps the test cases back to the business requirements, and we see multiple test case for each requirement.

- An MBIE Non-functional Test Plan (version 1.1 07 March 2023) details the non-functional test aspects, and includes the various non-functional testing that will be carried out in the different environments, and who is responsible for the test completion of non-functional testing. We understand the project will test the non-functional requirements in SIT where appropriate, to identify issues early.
- There are some 5,500 test scripts that will be completed by the test team. 12 weeks had initially been allowed for SIT, and a review of the time effort against the test scripts has resulted in testing now being estimated at between 18-20 weeks. This raises concerns and we question why this work has occurred so late, and why SIT will take so many months to complete.
- The test scripts have been prioritised and the priority 1 Go/No Go decision is aligned to the priority 1 testing, and this is appropriate. We have also recommended the project consider what level of testing is needed to accept the solution for an initial Go Live.
- An MBIE Defect Management Process (version 1.0 21/10/2021) details the defect process including the defect priorities (1-5) and the reporting. We have previously noted there are twice daily triage meetings occurring to work through defects.
- An NEC MBIE In Person Enrollment Test Plan (Release 1.6, Status: Release, Released: 26 October 2022) and notes 'The purpose of this Test Plan is to show the test approach, test strategy and test plan to the stakeholders. Test activities for this project include Factory Testing (FT), System Integration Testing (SIT) and User Acceptance Testing (UAT).' It goes on to state 'NEC's focus for testing is the FT of the IPE terminal software and hardware, Local LMS and central LMS to prepare them for MBIE in their testing in SIT and UAT, which NEC will support.' The plan clearly notes Pre-System Integration Testing (PSIT) would be carried out in the NEC BCU environment by NECNZ and NECAM BCU staff. System Integration Testing (SIT) is noted as being carried out in the MBIE SIT environment by MBIE Immigration NZ staff.'
- We did not receive an NEC Test Plan for BCU, however the NEC Project Status Report (01/9/2023) notes the BCU SIT delivery was 07-Mar-2023 (Milestone M4) against an original date of 30/11/2021. Delivery of NEC's IPE software phase 1: SIT is noted as 1 Mar 2023 (Milestone M5a) against an original date of 19/03/2021.
- An NEC MBIE Biographic Capability Upgrade Project - REF 3664 Test Summary Report: System Testing (version V2.2 22 Feb 2023) details the test scope, out of scope (e.g. reporting), test execution (2524), the defects raised (1717) and resolved, and the number of outstanding defects (51 severity 3 and 4). It notes 'NEC recommend that the current release NEC IDME release 1.0.1 (NECAM release 1.4.6) is to be deployed into the SIT environment for SIT entry.'
- An NEC Test Summary Report for MBIE IPE (Version 1.0 – Final 01 Feb 2023) again details the test scope, out of scope (e.g. SmartScan fingerprint matching), test execution (298), the defects raised (197) and resolved, and the number of outstanding defects (37 severity 2, 3 and 4). It notes 'NEC recommends that the release 10 is installed into MBIE SIT environment on the condition that the severity 2 defect IPET-196 is fixed.'
- We understand there was some MBIE tester involvement in the system testing to familiarise themselves with the solution and provide the necessary training of how the system works, and they had access into the NEC test environment. Whilst we see evidence of the functional areas tested in the NEC Test Summary reports, we do not have evidence or a clear understanding as to what role the MBIE testers played in this testing. We also understand NEC provided test case and traceability back to the business requirements.
- There were various views expressed in regard to the 'functional' testing, and NEC appears to be of the opinion that testing of all the functionality is complete, including alignment to the requirements, and therefore the solution is fit for purpose. The test plans do clearly state NEC would focus on 'functional' testing, and MBIE on 'workflows, configuration and data type'. MBIE of course would expect to complete full end to end of the workflows and this will confirm whether the functionality meets the expected business requirements from their perspective.
- As previously noted, there must be continued efforts to ensure discussions involve the appropriate parties (e.g. testers talking to developers to explain defects) where required, rather than everything having to be filtered through NEC New Zealand.

Recommendations

ID	Recommendation	Priority / Owner
2.15	Look for ways to reduce the testing timeframes where appropriate System testing has been completed within the NEC test environment, and test exit reports have been completed. We also understand NEC provided test case and traceability back to the business requirements. There were various views expressed in regard to the 'functional' testing, and that this work was being repeated by MBIE within SIT. The test plans clearly state NEC would focus on 'functional' testing, and MBIE on 'workflows, configuration and data type'. There are some 5,500 test scripts that will be completed by the MBIE test team, although the testing of the workflows will cover many test scripts. 12 weeks (3 months) had initially been allowed for SIT, and 8 weeks for UAT. The test scripts are being currently peer reviewed and time estimates are also being put against the test scripts. This has resulted in SIT testing now being estimated at between 18-12 weeks (5 months). Whilst we understand MBIE's desire to complete detailed testing, using their own end to end workflows, within their own test environment, it must take into account the functional testing that has been completed and determine any areas a 'lighter' test touch may apply. For example, the business requirement that have been met through 'configuration' vs. 'customisation'. Similarly the testing in the NEC environment used 'stubs' to mimic integrations, and this requires 'detailed' testing.	High Test Manager Business Owner Ongoing

CONTRACTUAL ARRANGEMENTS

Findings

- A MSA between NEC-MBIE (270619) is in place, and we understand there are plans to extend the term, as it expires in 2025. This activity should only occur once project continuation has been agreed.
- Statements of Work (SOW) are in place for the various vendors (e.g. NEC, Datacom, Theta, DXC, Argonaut). There have been a number of variations (CRs) for additional funding, to the SOW(s) due to delays.
- We understand the NEC SOW(s) are being reviewed and updated, and this is in part due to some missing components, and to further clarify the milestone payment criteria. Typically milestone payments are made once the solution had been tested and accepted within the customers environment, rather than the vendor having software ready to deploy to SIT.
- s9(2)(b)(ii) [REDACTED], and we'd have expected these to have already been included in the existing SOW costing. Some of these CR's are for sizeable amounts (i.e. hundreds of thousands of dollars), and this is of concern. Also of concern is we understand NEC have indicated they will charge between \$350k -750k per month if the project Go Live is delayed beyond November 2023, to retain resources and keep environments running. Any variations to the NEC SOW(s) must also take into account any expectation around the remaining delivery work, and expected NEC costs, and this is a key input into project continuation.
- We understand a number of issues were discovered from the vulnerability testing carried out, and the majority of these have now been resolved. we understand there is a memo that provides confirmation of the resolution, and this is being added to the support agreement SOW, which appropriate.

- Ongoing work is underway for the support costs, with the tier 2 application support moving to Datacom. Despite a desire for a Commercial off the Shelf (COTS) approach, much of the solution has been highly customised, and this will likely have an impact on the support arrangements.

Recommendations

ID	Recommendation	Priority / Owner
2.16	Re-confirm the remaining SOW milestones and payment criteria Re-confirm the remaining delivery and expected costs Include the security vulnerability aspects SOW(s) are in place with NEC, and whilst we did not review in detail, or talk to anyone in the commercial or legal teams, we understand they are being reviewed and updated. We understand this is in part due to some missing components, and to further clarify the milestone payment criteria. For example milestone M04: Delivery of NECs BCU software phase 1 SIT states 'The BCU NEC SIT software Deliverables have been delivered to the Ministry and have passed the relevant tests set out in the NEC test Plan, as evidenced by the Test Exit Report with achievement of this Milestone to be assessed in accordance with clause 7.3(b)'. The milestones are not clear, and in the case of SIT acceptance and payment, we would have expected this to occur once the solution had been tested and accepted within the MBIE SIT environment, rather than NEC having software ready to deploy to SIT. s9(2)(b)(ii) Whilst some of the CRs appear valid (e.g. CR100 MBIE Updated Reporting Requirements), others do not, and we'd have expected these to have already been included in the existing SOW costing (e.g. CR101 Sizing work for Data Dictionary, CR108 T&M for consulting Alert and Monitoring). We understand MBIE has agreed to \$220,150 worth of CR's to date (signed and paid), and there are some \$580,000 worth of CRs under review (noting some of the costs are MBIE's estimates at this stage). Also of concern is we understand NEC have indicated they will charge between \$350k -750k per month if the project Go Live is delayed beyond November 2023, to retain resources and keep environments running. Using an estimate of \$400k/month this will total \$2.8m for a 7 month period December 2023-June 2024. We question why resources could not be re-deployed until such time they are needed (i.e. the amount of work is still the same, just the timeframes have extended), which is a common model for global operating companies, such as NEC. It is unclear what is needed to keep environments running. Any variations to the NEC SOW(s) must also take into account any expectation around the remaining delivery work and expected NEC costs, and this is a key input into project continuation. Any variations to the SOW must also take into account any expectation around the remaining delivery work and expected costs, and we would not expect to see an ongoing cycle of CRs that we see today. We understand some s9(2)(b)(ii) testing carried out, and the majority of these have now been resolved. We	High Commercial and Legal Teams Project Manager End November 2023

ID	Recommendation	Priority / Owner
	understand there is a memo that provides confirmation of the resolution of the issues, and commitments to advise Section 9(2)(b)(ii) [REDACTED]. We further understand this is being added to the MSA, and this is appropriate.	
2.17	Confirm the support arrangements We understand the support arrangements have changed, and Datacom will now provide the application (tier 2) support, as well as some reporting, alerting and monitoring. We see a SOW in place – Product Assessment to Support IDme SOW (v2.0 31 July 2023) and also a SOW for alerting and monitoring, and reporting. We understand ongoing discussion are underway with NEC to formalise the support arrangements. We further understand there has been a change in volumes for the face templates, due to the project taking so long. The Section 9(2)(b)(ii) [REDACTED] The BCU solution is a bespoke solution, and NEC may need to do significant work to complete a 'unique' release for MBIE. MBIE may also need to complete detailed testing and this will incur internal test team costs. The must be a consideration in the Support Agreement SOW, and we have noted the support costs are a consideration for project continuation.	High Commercial and Legal Teams Project Manager End November 2023

BENEFITS MANAGEMENT

Findings

- Benefits are captured in the original Business Cases (2019), along with alignment to the desired outcomes. Benefits include improvements in Section 9(2)(b)(ii) [REDACTED], and improved supportability.
- A Benefits Management Plan (version 02. 13/09/2023) has been drafted, and includes a benefits summary, benefits table, benefits schedule, and benefits owner. The benefits table includes a long list of benefits, and requires further consolidation. Similarly, the benefit targets require further work to detail the ongoing improvements.
- The project must confirm to the PSG of any instances where any of the benefits will not be met.

Recommendations

ID	Recommendation	Priority / Owner
2.18	Consolidate and finalise the benefits Update the target measures Confirm where the business case benefits won't be met A Benefits Management Plan (version 02. 13/09/2023) has been drafted, and includes a benefits summary, benefits table, benefits schedule and benefits owner. The benefits table includes a long list of benefits, and includes the original business case benefits, the change to benefits as a results of approved CRs, and some new benefits. This list is long and some further work is required to consolidate the list of benefits – we understand this work is underway.	High Business Owner Project Manager Business Analyst End November 2023

ID	Recommendation	Priority / Owner
	The benefits table (4. Benefits Table) includes baseline and target measures, along with timeframes. There are examples where the timeframe is simply shown as '5 years' – for example, the 'increase in identity fraud found' shows an improvement from Section 9(2)(b)(ii). We'd expect there to be a gradual improvement across the five year period shown, and this will provide an indication as to whether the benefit is on track to achieve the target measure within the five year period. As part of updating the benefits, the project must advise any instances where any of the benefits will not be met – for example where the cost savings will not be realised. We'd expect the project to confirm this to the PSG (full voting members only) and any other relevant bodies.	

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PREVIOUS IQA RECOMMENDATIONS

The below section details the recommendations made in previous IQA review in September 2022, and the current status.

ID	Recommendation	Status	Project comment
1.1	Clarify the decision making and decision making path	Closed	
1.2	Appoint a full time Business Owner	Not completed	Both a Business Owner and Technical Business Owner are actively engaged with the project. There are in place weekly check-in sessions with the Business Owner where progress and issues are discussed and direction given. There are daily check-in sessions with the Technical Business Owner where issues/ blockers from the technical aspect are discussed and direction given. Outside of these sessions both the Technical and Business owner are available for further engagement. At this point there is no necessity to increase Business Owner input.
1.3	Strengthen project status reporting	Closed	
1.4	Include the non-product delivery components in the integrated schedule	Closed	
1.5	Gain commitment for the integrated schedule as the one version of delivery truth	Closed	
1.6	Ensure there are dedicated resources assigned to the delivery	Closed	
1.7	Ensure there are appropriate peer to peer discussions occurring	Closed	
1.8	Develop the integrated resource plan	Closed	
1.9	Confirm the MBIE Lead Architect	Closed	
1.10	Finalise the communications and change management plans	Closed	
1.11	Agree the shared registers	Closed	
1.12	Gain written commitment from all parties for the new delivery plan	Closed	
1.13	Bring all parties together for a re-launch	Not completed	28/02/23 - Steering Group members made the decision not to go ahead with this recommendation
1.14	Baseline the Functional Requirements, including the reporting requirements	Closed	BCU IDme requirements including reporting currently in review with NEC. Final IPE functional requirements document is being updated.
1.15	Determine the treatment of any unmet requirements	Open	MBIE project Manager to confirm correct audience and organise a workshop before the end of April. Unmet requirements will be identified during SIT testing, which is due to complete by end November 2023.

1.16	Re-schedule the end to end showcase	Closed	
1.17	Finalise the Part B Designs	Closed	Finalised Part B scheduled to be presented to DRB 31/7/23. Endorsed by DRB on 04/08 with 7 conditions that need to be met prior to Go Live.
1.18	Finalise the Data Migration Plans and timings Ensure visibility and transparency of data migration activities	Closed	DM planning is complete. Bulk migration to SIT in progress. Timing tbc on completion.
1.19	Complete the NEC test traceability matrix	Closed	Prior to full SIT Entry. Incomplete draft received.
1.20	Ensure the defect severity definitions are clear across all parties prior to SIT entry	Closed	
1.21	Determine whether SIT can begin prior to completion of the migration activity	Closed	
1.22	Review and refresh the training material	Closed	Key learning activities scheduled and in progress. Current state Learn@MBIE and SOPS analysed, resourced and updates in progress. Learning Needs Analysis completed. High level learning design approved. Planning and set up for learning development has started.
1.23	Re-confirm the benefits and develop the Benefits Realisation Plan	Open	The project has received update production volumes and will update benefits based on this new information. 18/08: Benefits are currently being reviewed with the business; changes will be captured in CR06.

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REVIEW SIGN OFF

MANAGEMENT COMMENT

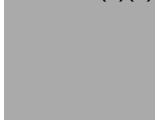
Thank you to David Williams for this comprehensive IQA and the suite of recommendations provided.

It is important to note that the IQA has assessed the likelihood of delivery by November 2023 as “Unlikely”. This has already been preceded by Project Steering Group discussions acknowledging this and noting that a more likely go-live date for the BCU project would be Q1 or Q2 of the 2024 calendar year – which will involve significant re-baselining of the project plan, stage-gates and milestones in agreement with NEC as our key supplier. However, as the IQA has noted, this continues to not be without its challenges. Successful SIT testing is a pre-requisite to proceeding further with this important project.

I fully support and agree with the recommendations made and will proceed with responding to these with haste so as to ensure the BCU project is as well placed as possible to deliver against its original intent.

SIGNOFF

Section 9(2)(a)



10 October 2023

Richard Owen
INZ BCU Sponsor
Ministry Business, Innovation and Employment

[date]

Section 9(2)(a)



10 October 2023

David Williams
Engagement Lead
DW Consulting Limited

[date]

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APPENDIX A – REVIEW TERMS OF REFERENCE

SCOPE

- Assessment of the project governance and management environment and structures, including roles, responsibilities, capability, capacity, approach, processes, standards, and controls that were used to support the project planning and delivery.
- Understanding the factors that contributed to the project delays, and what factors could have been managed better to support effective re-planning and delivery scheduling of the project implementation.
- Whether the process used to develop the time and cost estimates for the project were appropriate and aligned with good industry practice, and MBIE project management/planning standards.
- Whether the process used to complete the requirements and traceability to the design was appropriate.
- Whether qualified oversight over the suppliers' design(s) has been robust and appropriate for the scale and significance of the project.
- Whether the solution delivery processes used were appropriate and align/ support MBIE project management processes/expectations.
- Whether the processes used to complete the testing were appropriate, and cover all the requirements.
- Standard project management controls and the degree to which they were employed during the planning phase and support the remaining delivery:
 - Scope definition and management
 - Schedule and dependency management
 - Financial management, including the cost estimation
 - Resource and contract management
 - Commercial arrangements with suppliers
 - Risk and issue management
 - Stakeholder engagement and communication
 - Quality management
- A review of recommendation made in the previous IQA review (September 2022), noting the recommendations that were completed, in progress or to be started.
- Identification of what is going well and areas of opportunity for improvement over the remainder of the project lifecycle.

Scope Exclusions

The scope of this review excludes the following:

- Review of any other project or business system.
- Detailed review of the RFP processes or contractual arrangements.
- In depth quantitative review and assessment of cost estimates and financial business benefits.
- Detailed review of the suppliers' design(s) and their appropriateness.