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Correspondence Memorandum

Date: August 1, 2024

To: IAS Program Management Team

From: Michelle Hoehne, Kurt Petrie, Yikchau Sze
Office of Internal Audit

Subject: Internal Audit Insurance Administration System (IAS) Program Review
Monthly Report

Background

As part of the role of Office of Internal Audit (OIA) on the IAS Program, we indicated we would provide monthly status updates of our review to the OEI Director and Program Management Team. Since OIA has been allowing staff the time for the IAS Program Reset to take effect and for major project deliverables to be completed, this is our first monthly communication covering the period from March – July 22, 2024. Future communications are expected to occur on the previously stated monthly frequency.

OIA's main role for this consulting project is to provide feedback on IAS program management and verify that key program outcomes are achieved. OIA is using documentation review and evidence testing to verify the following:

- Management oversight is appropriate
- Status reporting is accurate
- Key risks are identified and properly treated
- Necessary testing is completed
- Other key project milestones are supported and achieved

The scope of our review may be adjusted based on perceived program risk and priority changes. However, whether it be the management of the program or the outcome of the program, we will vary the degree of testing of the information where necessary for this review.

OIA Activities Completed

OIA attended IAS Business Weekly Check-in meetings, a Monthly IAS Program Risk Review meeting, and reviewed the following items for reasonableness and asked follow-up questions as necessary:

- RAIDQ Log
- Weekly Status Reports

Attachment A

- Monthly Portfolio Committee Reports
- Eclipse time tracking and allocation of hours along with risks
- New Reporting Structure

OIA Items Noted

Major Project Deliverables

At the March 27, 2024, IAS Program Reset meeting, the next steps communicated for the individual Project Managers and Project Teams included developing charters and scopes for each project within the IAS Program and updating project plans, risks, work plans and key deliverables in ETF's project portfolio management software called Eclipse. Without key data entered into Eclipse, there is limited transparency into the status of each project and the program as a whole. This makes it difficult to manage and monitor the IAS Program to the developed Program timeline, especially given the significant restructuring and some turnover of Project Management staff¹.

Specific to the charters, OIA received a status update on May 24, 2024, that these would be completed by June 7, 2024. This date and the Program Manager level review was subsequently pushed back multiple times. As of July 22, 2024, these were still not fully completed and available for OIA to review.

Going forward, OEI Management and IAS Program Managers should hold Project Teams accountable for deadlines and ensure that items are entered and updated for each project in Eclipse. When deadlines are moved, the impact to the overall program should be assessed, documented, and communicated to necessary stakeholders. If IAS related items need to be shifted to after system go-live, OEI and ETF Management should assess resource needs for these items and the resulting impact on resources available for the Pension Administration System work, which will be occurring simultaneously. Ongoing consideration needs to be given to other activities staff must complete, including their day-to day activities and other strategic initiatives, while working on modernization projects.

Overall Project Timeline Development

On May 16, 2024, the revised IAS Program critical dates were communicated to all ETF staff. These dates include a system readiness date of May 2, 2025, and a program readiness date of July 1, 2025. By the system readiness date, all IAS related applications must be fully developed, tested, and integrated with third-party administrators; employers and ETF staff must be able to provide, receive and reconcile IAS data; and verified members must have the ability to securely access My Insurance Benefits, with the ability to enroll in their benefits. By the program readiness date, eligibility, enrollment, and financial data needs to be converted from legacy systems; system training must be completed; and other operational readiness tasks performed.

¹ Six new Project Managers were onboarded onto the IAS Program.

Since the project charters, scopes, dependencies, and milestones, were not complete when this timeline was established, OIA is unable to evaluate the achievability of this timeline. Once these documents are completed, the achievability of everything within scope should be reassessed. Additional assessments should occur if any key milestone dates are not achieved.

Monthly IAS Program Risk Review Meeting

On July 2, 2024, we attended the Monthly IAS Program Risk Review meeting for the first time, and it was the second time this meeting was held. The Program Managers started going through a report of the Program and Project risks downloaded from Eclipse. The severity of the risks is ranked as very low, low, medium, high, and very high. This meeting focused on talking through each of the high risks, but it was noted at the end of the meeting that very high risks should be considered at the next meeting. We also note that the guidance available for Program Managers in Eclipse, Eclipse's Project Manager User Guide, and the Project Management Playbook does not describe the specific assessment criteria for each level of risk severity.

Based on the meeting discussion, it appears that some risks are not being actively monitored and updated as the Program progresses, while others may not have been entered at all. An original deadline of June 18, 2024, was given to project teams to enter and review project specific risks in Eclipse. This deadline was not met by all project teams and was pushed out another month to July 16, 2024. We noted as of our last review on July 17, 2024, that the following projects have no risks identified in Eclipse: COBRA, Content Management, DOA STAR, User Access Management, UWHC, Cutover, and End to End.

Based on our observation, the meeting was not structured as efficiently as it could have been. For example, Program Managers should perform a preliminary review ahead of the meeting to direct the focus of the meeting on particular risks and ensure all necessary information for each risk is completed. Program Managers should also have additional conversations with those Project Managers who have not entered any risks for their projects, to determine if no risks truly exist or whether they are just missing from Eclipse. Additionally, all Project Managers should be provided guidance on how to assess the severity ranking of risks.

Program Time Tracking

Shortly after the March 27, 2024, IAS Program Reset meeting, OEI management made the decision to change how the allocation and recording of hours took place in Eclipse. Previously, allocations and time were recorded at the detailed task level within each IAS project. With the change, it is now being recorded in the IAS Main program. The information recorded does still break out which project it belongs too, but no longer reports at the detailed task level. While this might be easier for staff to record their time, it makes it difficult to monitor each project given some historical time is recorded at the project level and more recent time tracking is at the IAS Main program level. It also

makes it difficult to monitor at a detailed project task level, and to determine what percentage of the project is complete or if it is taking more or fewer hours to complete, than estimated. Finally, it will be difficult to obtain and understand the information if similar tasks come up during the PAS implementation to know how long they might take given the higher-level project reporting. OEI management needs to ensure that it can monitor project level activity effectively and efficiently and maintain accountability of staff.

cc: Strategic Council