

Ministry of Foreign Affairs and Trade

**IQA of the Cloud Acceleration Programme and
Digital Workspace Transformation**

May 2024



Released under the
Official Information Act

Deborah Geels
Investment Committee Chair
Ministry of Foreign Affairs and Trade
195 Lambton Quay
Wellington, 6011

6 May 2024

Cloud Acceleration Programme and Digital Workspace Transformation IQA

Dear Deborah,

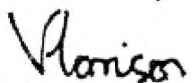
In accordance with our Consultancy Services Order dated 7 February 2024, we have completed our IQA of the Ministry of Foreign Affairs and Trade (MFAT) Cloud Acceleration Programme (CAP) and Digital Workspace Transformation Programme (DWTP).

Our IQA was performed per our scope and agreed approach summarised in our executive summary Introduction and is based on our fieldwork performed between 16 February 2024 to 19 March 2024.

I would like to take this opportunity to acknowledge and thank the MFAT team for the time and contributions they have made to enable us to perform this engagement.

Please feel free to contact me on 027 511 6563 if you have any questions or require any further information.

Yours sincerely,



Vaughan Harrison
Partner
PricewaterhouseCoopers
Vaughan.x.harrison@pwc.com



Inherent Limitations

We have performed our engagement in accordance with relevant ethical requirements of the Code of Ethics issued by the New Zealand Institute of Chartered Accountants, and appropriate quality control standards. Our engagement does not constitute a review or audit in terms of standards issued by the New Zealand Institute of Chartered Accountants.

Accordingly, this engagement is not intended to result in either the expression of an audit or legal opinion, nor the fulfilling of any statutory audit or other requirements.



Confidential

This report is provided solely for Ministry of Foreign Affairs and Trade for the purpose for which the services are provided and should not be relied upon for any other purpose. Unless required by law you shall not provide this report to any third party, publish it on a website or refer to us or the services without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom our report is disclosed or otherwise made available. No copy, extract or quote from our short-form report may be made available to any other person without our prior written consent to the form and content of the disclosure contained within the report.

1

Executive summary and recommendations

Released under the
Official Information Act

Executive summary: Introduction

Background and objectives

The Ministry of Foreign Affairs and Trade's Cloud Acceleration Programme (CAP) was established in 2021 with an approved \$12.9m capex and \$0.9m OpEx budget to deliver three workstreams:

- Cloud Services Adoption
- Legacy Workload Migration
- Modern Workplace.

The CAP programme has recently been renamed the Digital WorkSpace Transformation Programme (DWTP), and is designed to build on the CAP business case to also deliver:

- A new Enterprise Content Management System (ECMS) to replace GDM
- A new Intranet to replace Te Aka.

A business case for the combined DWTP programme was due to be presented for endorsement in late 2023, however the Investment Committee at the October 2023 meeting directed the programme to instead complete a Variation Request for additional funding required to continue the programme to the end of FY23/24 and re-submit the business case in 2024 for work required from FY24/25 onwards.

In light of DWTP business case under development and the identified increasing programme costs, the DWTP Steering Committee has requested an urgent IQA assessment of the original CAP programme scope to discover what has been delivered to date, what has been spent against the original business case, and the scope of the new DWTP programme. This will provide important context for the MFAT Investment Committee to make informed investment decisions.

Our scope and approach

The following CAP and DWTP areas we included in our IQA assessment:

1. **Understand the CAP business case scope and consider whether the business case set the CAP programme up for success**, i.e. we assessed the clarity and appropriateness of the original programme scope, costs, planned outcomes, and business value, to provide a perspective on whether the business case set up the programme 'for success'.

2. **Identify what the CAP programme has delivered against the CAP business case scope**, i.e. we looked to reconcile what has been delivered to date against the scope of the CAP business case to highlight progress against the original business case.
3. **Assess and understand the CAP business case spend to date**, i.e. we analysed spend-to-date information to understand the actual costs incurred in the delivery of outcomes identified in scope area two against the CAP business case.
4. **Assess and identify key issues facing the CAP programme to date**, i.e. we considered the impact of these identified issues on the CAP scope, budget, timeframes, and delivery of business value, and where possible identified the root causes of these issues.
5. **Understand and assess the new Digital Workspace programme scope**, i.e. we assessed the identified DWTP scope against the planned CAP business case scope to highlight changes to the scope, outcomes, and expected business value.
6. **Assess the governance and Programme Steering Committee construct**, i.e. we assessed the governance strengths in place, and opportunities to further enhance (where required) to support the success of the DWTP programme.
7. **Assess the capability and confidence in place to deliver the DWTP programme**, i.e. consolidated the strengths and findings identified and their related contribution to and/or challenge of the delivery of the DWTP programme scope, budget, timeframes and proposed business value.

Scope exclusions

The following were excluded from our assessment:

- Assessing the accuracy and completeness of information and documentation shared by management
- Assessing the merits of the original business case justification or the fitness-for-purpose of proposed solution designs
- Making any decision relating to programme investment, portfolio prioritisation, or stop/go decisions for the programme. These will be the sole responsibility of MFAT
- Following up the implementation of recommendations arising from our report, noting this can be included in a variation/extension to this CSO where required

Executive summary: Key observations and findings

Scope area one: Did the CAP Business Case set-up the programme for success?

The July 2021 detailed business case essentially outlined a \$13.844m bucket of funding to be allocated to the programme over a four year period to deliver a number of undefined outputs in an underdefined timeframe, and attempt benefits that were not fully defined. The programme business case was **not** supported by the necessary analysis required to set a programme of this nature up for success, and did not contain the necessary clarity of the detailed scope that was linked to an cloud enterprise architecture plan, schedule, budget and benefits from which to govern and manage the programme, i.e. the business case did not provide:

- A defined scope of work it would produce
- A defined roadmap of when that scope of work would be delivered
- A costing model to support the delivery of the roadmap
- A description of how and when those benefits would be realised

Scope area two: Identify what the CAP programme has delivered against the CAP business case scope

The business case did not include measurable outputs with an associated roadmap that could be used to track and reconcile whether and when the programme had met its objectives and MFAT could begin realising the benefits. We have outlined what the programme has been working on and delivered, but are unable to ascertain what was delivered against the unclear detailed business case scope, and therefore what is still outstanding from the 'intended' business case scope of work.

Scope area three: Assess and understand the CAP business case spend to date

By the end of FY24/25 the programme is forecasting to have spent approximately \$2.9m more than the total May 2022 CAP business case budget. The draft business case for DWTP is currently estimating another \$12m is required to deliver what programme management believe is the remaining 'intent' of the original CAP business case.

To FY23/24 there has been limited realisation of the anticipated business case benefits.

Scope area four: Assess and identify key issues facing the CAP programme to date

We have highlighted five issues below that have impacted the programme's ability to deliver the business case to-date. None of these of these issues have yet been fully resolved and will continue to impact the programme's ability to work in the most efficient and effective manner. These key issues form the basis for a number of our recommendations, and include:

- **There was a lack of programme management delivery excellence over the first two years of the programme:** The programme business case was never fully articulated to define what the programme will actually deliver at a transparent and granular level in order for the programme to have the necessary baseline to monitor, control, manage and report against. This meant the only thing that could be reported on was the spend at a non-granular, consolidated programme level. This is not aligned to what we would consider best practice for managing programmes of work, and it is also not what is generally expected from a PDS perspective in terms of their operating standards, and especially compared to other programmes of work at MFAT.
- **There was a lack of focus on the enterprise benefits that the programme will deliver:** The focus of the programme to date is to a) create MFAT's Azure cloud platform and supporting intra workstreams such as M365 and other external programmes such as HRIS and FMIS to begin utilising these cloud platform services, and b) enable MFAT to remain up to date with software versions required for operational resilience, compliance, and security. We acknowledge these benefits are important.

Although enterprise benefits such as new ways of working, increased productivity, and hard financial savings benefits were highlighted in the original business case, we did not see any further work performed, via a benefits management plan, to ensure these benefits are properly identified, qualified, quantified, assigned ownership, reported on, and have a plan in place to realise. We note this does not mean benefits have not been to date, but rather that there is no measurable visibility on what has and has not been realised.

Executive summary: Key observations and findings

Scope area four: Assess and identify key issues facing the CAP programme to date (cont.)

- **Internal productivity issues created additional challenges:**
 - Historically there has been a lack of proper programme and project planning to ensure that resources are utilised effectively when they are actually needed, to deliver against planned deliverables
 - Team dynamic and behaviour challenges have been noted where the move to the cloud has never been fully accepted by a number of IMD's leadership team and therefore have constantly 'buted heads' with the delivery of the CAP programme, i.e. there is no shared vision which has severely impacted decision making needed to move the programme forward, including:
 - There have been five programme managers to date, and we understand the first four had "major fallout" with the IMD leadership team
 - Breakdowns in relationships between the HRIS tech stream, CAP leads and the IMD architecture unit
 - No documented enterprise architecture
 - High turnover of key resources
- **The programme did not leverage external capability and was solely accountable for all delivery, cost and solution quality risk:** The business case makes mention of the utilisation of a cloud partner, however the cloud partner only provides 'body shopping' resources to the programme and is not engaged to provide specific outcomes and deliverables, i.e. the cloud provider does not have any accountabilities or 'skin in the game'. We note however this approach is changing as the DWTP business case is developed as more external expertise is being engaged and leveraged
- **Enterprise portfolio management did not exist to create a clear view of the relationship of MFAT's cloud platform to other initiatives requiring cloud capability:** We have seen three instances (HRIS landing zone, FMIS mobile app deployment, FMIS integration platform) whereby the programme has been requested to switch focus and deliver tactical deliverables in order to help facilitate solutions before the 'cloud ready' platforms have been created. This has created delivery impacts, and potentially has resulted in solutions being developed, at additional cost, that will not be required with the implementation of the DWTP business case

Scope area six : Assess the governance and Steering Committee construct

Programme management and a Steering Committee has been established and are operating to deliver and govern the business case. As previously expressed without a firm baseline it has been extremely difficult to manage and govern in an effective manner which has led the Steering Committee getting involved in day-to-day programme decision making. Since variation 0004 the programme now has a baseline of scope, time and costs (but no benefits) that can be monitored and controlled which should now be the Steering Committee's primary focus, however to enable the Steering Committee to perform their role and discharge their responsibility effectively more specific and consistent governance reporting is required.

Scope areas five and seven: Understand and assess the new Digital Workspace programme scope and assess the capability and confidence in place to deliver the DWTP programme

As the draft DWTP business case and supporting documentation is still currently being prepared, in particular what scope will be included which will drive the final planning and costing, we are unable to provide a delivery confidence rating that reflects that expected from a final draft business case. However, programme management's approach to develop the business case is improved from the previous CAP business case, and if continued to an appropriate level of quality should be able to provide a far greater level of confidence to management and governance that they will have the capability to deliver it. We have described the key considerations required to develop the remaining business case, and in scope areas four we have highlighted a number of issues that will still need to be resolved.

Management response to executive summary

MFAT accepts the findings of this review and is working to implement its recommendations. We take any mismanagement of public funds very seriously. MFAT is now performing a fundamental reset to the programme, including changes to scope, delivery approach and governance, removing unnecessary costs, with a return to orthodox project practice and disciplines. Intensive oversight and reporting will be applied to ensure delivery of reworked outcomes through the reset. In addition, the Ministry will be engaging independent IQA throughout the programme.

Executive summary: Recommendations

Based on our detailed observations and findings, we have identified the following recommendations required to create greater confidence in the delivery of the DWTP business case. We recommend the findings in our report, and our recommendations, are used to help inform the remaining development of the DWTP business case and the programme governance and management approaches and capabilities required to deliver the business case

A number of these recommendations relate to the issues identified in scope areas four and six over the period July 2021 to current. We note during our fieldwork that management have begun implementing a number of these improvements and planning interventions, but further focus is required per our recommendations to address these challenges fully, as regardless of how well a business case will set-up up a programme to succeed, these issues and challenges if not fully addressed will continue to impact the programmes' ability to move forward.

#	Recommendation	Reasoning	Rating	Management response
1	Ensure that appropriate programme and project management disciplines and principles are adopted so that the DWTP can be planned and executed in a way that is efficient and effective and provides the necessary confidence to key stakeholders. (Note: Please see scope area seven findings for key themes we would expect to be in place for the DWTP moving forward at a minimum).	<p>Until recently without a robust enterprise cloud architecture, scope, roadmap and detailed delivery plans programme management have not been able to effectively:</p> <ul style="list-style-type: none">• Monitor, control and report delivery and spend progress, i.e. "spend x% budget against a delivered y%" at individual project levels• Sequence activities and managed inter and intra workstream dependencies• Monitor, control and report against success criteria, and in particular benefits identification through to realisation• Plan, onboard, utilise and off board resources when they are actually needed per the project delivery plan activities at individual project levels• Manage stakeholder expectations on programme delivery performance• Enable the Steering Committee to fulfil their core governance core of ensuring the delivery of the business case (scope, benefits, plan, cost and risks)	High	<p>Agree with recommendation.</p> <p>Going forward, orthodox programme and project management disciplines will be adopted, including programme planning, defined scope with measurable outcomes and regular performance and assurance reporting.</p>

Executive summary: Recommendations

#	Recommendation	Reasoning	Rating	Management response
2	Improve programme governance reporting to support decision making <ul style="list-style-type: none"> Since variation 0004 the programme now has a baseline of scope, time and costs that can be monitored and controlled, however to enable the PSC to perform their role and discharge their responsibility effectively more specific reporting beyond programme level commentary is required that provides a view into key programme activities, schedules, costs and risks Clarification is required to be confirm the decision making authority and roles and responsibilities between the Steering Committee and programme management 	<ul style="list-style-type: none"> Although reporting packs are currently provided to the PSC to support meetings, it was felt that they were too consolidated (i.e. a dashboard at the programme level) and narrative driven in terms of what was being done rather than what was been delivered. This has prevented the Steering Committee from being able to understand the status of discrete outcomes/projects the programme was delivering against a schedule and budget. Further clarification is required in terms of the roles and responsibilities and decision making authority between the Steering Committee and programme management. This has been raised in the context: <ul style="list-style-type: none"> Programme management changed tack in late 2023 and began pursuing 'quick wins' in order to delivery incremental value which the Steering Committee members thought should have been first ratified through them - possibly as a scope or plan change variation There is a view Variation 0004 was presented to the Steering Committee by programme management in a way that was a fait accompli, for a hasty endorsement in order for the Investment Committee to approve Steering Committee advising programme team what implementation methodologies should be utilised 	High	<p>Agree with recommendation.</p> <p>The programme's governance structure will be reviewed, restructured and reset to align with MFAT's standard programme and project governance framework, including defining roles, responsibilities and accountabilities and reporting standards.</p>

Executive summary: Recommendations

#	Recommendation	Reasoning	Rating	Management response
3	<p>Resolve issues with IMD senior leadership not supporting MFAT's cloud strategy and the CAP delivery programme objectives</p> <p>Moving to the cloud has never been fully accepted by a number of IMD's leadership team. This has seen some IMD personnel and the CAP programme 'butting heads' due to no shared vision. This continued even when the programme began bringing IMD BAU resources onto the programme. The programme lacks the necessary internal IMD 'agents of change' and champions to help drive programme success, and at times have been barriers to its success.</p>	<p>A combination of these issues have led to</p> <ul style="list-style-type: none"> • Endless (as constantly described in our interviews) discussions, debates, iterations, reiterations regarding what the programme should be delivering and how it should be delivered. These have caused large delays to the programme's delivery cadence and frustrations from both programme resources and IMD teams. We have highlighted some examples of these impacts: <ul style="list-style-type: none"> – We have been advised it has taken over 12 months to get all the necessary key decisions made in order to progress the implementation of the MS Exchange Online project, such as, making a decision on a sovereign data compliance and archiving of historical emails aged over seven years. This project is a key dependency for the remainder of the modern desktop rollout – When MS teams went live in 2023, last minutes decisions were made to remove some planned functionality. We were unable to determine why these types of decision were made at such a late date and not when the MS Teams solution requirements and design were being prepared and approved much earlier in the programme • There has been a high turn over of programme personnel with some interviewees describing the programme environment as "toxic". 	High	<p>Agree with recommendation.</p> <p>A review of the IMD operating model is underway.</p>
4	<p>Quality management plans are required for each project delivery stream to ensure the right people are involved in the production and approval of deliverables</p> <p>Work is required to identify, agree and communicate upfront which resources from the programme and business are accountable, responsible and need to be involved in making key decisions, and the production of deliverables throughout the life-cycle of each individual initiatives (i.e. MS Teams, MS Exchange Online) from planning and initial requirements/design through to go-live. We would typically see this in a RACI matrix contained in an overall programme management or quality management plan.</p>		High	<p>Agree with recommendation.</p> <p>The programme will undergo a full reset and replan establishing clear scope and deliverables for each project and work-stream. As part of the reset, a revised programme plan with a work breakdown structure will be developed and maintained.</p> <p>The Ministry will be engaging ongoing IQA to ensure the programme delivers to agreed scope and quality.</p>

Executive summary: Recommendations

#	Recommendation	Reasoning	Rating	Management response
5	<p>Further focus on the enterprise benefits the DWTP programme will deliver is required</p> <p>The primary purpose of any programme is to deliver benefits to the enterprise rather than just technical solutions.</p>	<ul style="list-style-type: none"> The focus of the programme to date is to a) create MFAT's Azure cloud platform and supporting intra workstreams such as M365 and other external programmes such as HRIS and FMIS to begin utilising these cloud platform services, and b) enable MFAT to remain up to date with software versions required for operational resilience, compliance, and security. We acknowledge these benefits are important Although enterprise benefits such as new ways of working, increased productivity, and hard financial savings benefits were highlighted in the original business case, we did not see any further work performed, via a benefits management plan, to ensure these benefits are properly identified, qualified, quantified, assigned ownership, reported on, and have a plan in place to realise. We note this does not mean benefits have not been to date, but rather that there is no measurable visibility on what has and has not been realised. A number of financial benefits outlined in the CAP business case were never realised and we have seen no governance acknowledgement of this. 	Medium	<p>Agree with recommendation.</p> <p>As part of the programme reset and replan, revised and updated enterprise benefits with clear alignment to MFAT's strategic framework will be recorded and monitored.</p>
6	<p>Ascertain whether changes to the programme delivery model would be beneficial</p> <p>To deliver the programme in a more efficient manner which delivers more reliable outcomes with less risk.</p>	<ul style="list-style-type: none"> The CAP business case makes mention of the utilisation of a cloud partner, however to date the cloud partner has only provided resources for 'body shopping' and is not engaged to provide specific outcomes and deliverables, MFAT have been accountable for all schedule, cost and quality risk A key consideration is In-sourcing this the best method for delivering cloud services when MFAT is not an expert in the cloud space and has become reliant on an independent contractor model with no skin in the game, rather than a co-source or outsourced model based on agreed outcomes? 	Medium	<p>Agree with recommendation.</p> <p>The delivery model will be reviewed as part of the reset and replan of the programme.</p>

Executive summary: Recommendations

#	Recommendation	Reasoning	Rating	Management response
7	<p>Alignment of MFAT's Enterprise Portfolio Management function with DWTP</p> <p>When other MFAT programmes of work require solutions and services that should strategically be provided by the DWTP, Enterprise Portfolio planning should evaluate whether these DWTP services will be ready in time for these programme by evaluating the DWTP roadmap.</p> <p>If these services are not planned to be in place by the due date, then a decision making process is required to determine whether DWTP should amend its roadmap to deliver.</p>	<p>In a perfect world MFAT would already be 'cloud ready' and have all cloud services required ready and available to be used by other programmes as and when required. However, requests for these services are being made whilst the programme is still inflight resulting in:</p> <ul style="list-style-type: none"> • Needing to commit resources to deliver 'other programmes' tactical pieces of work rather than continuing with their strategic direction, i.e. HRIS MVP and Payroll (including post calculator, and financial delegations which were at a later date found to be functions in the old payroll system) • Sinking of considerable time and effort, and then still not being able to deliver the required services in the timeframes required resulting in inefficiencies for both programmes e.g. FMIS App Management and FMIS integration platform 	Low	<p>Agree with recommendation.</p> <p>The programme will provide regular reporting into the Enterprise Portfolio Management Office for oversight and ensure alignment across the ICT portfolio and other business change initiatives.</p>

Executive summary: Overall assessment

A Government Chief Digital Officer Delivery Confidence Rating is required for all Independent Quality Assurance assessments. The Delivery Confidence Rating provides a forward-looking assessment of the achievability and/or risk of the programme next major milestone and related planned benefits. In preparing our Delivery Confidence Rating we have considered:

- The findings, challenges and issues in our report
- The recent work undertaken following our fieldwork, and still in progress, by programme management to address our findings
- The outstanding work required to address the findings in our report
- The current status of the DWTP business case which is still under development

Whilst progress has been made to address some of our findings, there are still a number of issues impacting the programme that have yet to be resolved,. These include the development of the future operating model designed to address the internal conflict between the IMD and the programme, putting in place the right external and internal capability and the programme delivery model best positioned to deliver this programme of work and current governance arrangements. Additionally the DWTP business case, which will define what will actually be delivered, and the associated budget and management and delivery approaches is still being developed and has not yet been finalised.

Based on these key issues and the programme 're-baselining' currently underway, we have identified a **Highly Unlikely** Delivery Confidence Rating, noting the completion of the business case to an appropriate level of quality and addressing the findings in our report presents a future opportunity to improve the programme's Delivery Confidence Rating:

Highly likely	Likely	Possible	Unlikely	Highly unlikely
Successful delivery of the ICT-enabled project or programme appears highly likely and there are no major outstanding issues that significantly threaten achievement of the planned benefits	Successful delivery of the ICT-enabled project or programme appears likely. Attention will be needed to ensure that risks do not materialise into issues threatening achievement of the planned benefits	Successful delivery of the ICT-enabled project or programme appears possible. However issues exist in key areas that require management attention in order to achieve planned benefits. Issues appear to be resolvable at this stage if addressed promptly	Successful delivery of the ICT-enabled project or programme appears unlikely with major risks or issues in key areas that require urgent management attention. Achievement of planned benefits is in doubt	Successful delivery of the ICT-enabled project or programme appears to be highly unlikely due to significant issues which do not appear to be resolvable at this stage. The ICT-project or programme may need to be re-baselined or its overall viability re-assessed

Findings acceptance: Under the GCDO IQAT/QA sub-panel the assessment owner must confirm their oversight of the findings within our report

I have read the findings in this report and confirm I am accountable for the recommendations noted

Rob Taylor

Date

Deputy Chief Executive People & Operations

2

Detailed observations and findings



Observations and findings: CAP business case

1 Understand the Cloud Adoption Programme (CAP) business case scope and consider whether the business case set up the CAP programme for success

Our summary assessment: The July 2021 detailed business case essentially outlined a \$13.844m bucket of funding to be allocated to the programme over a four year period to deliver a number of undefined outputs in an undefined timeframe, and attempt benefits that were not fully defined. The programme business case was not supported by the necessary analysis required to set a programme of this nature up for success, and did not contain the necessary clarity of the detailed scope, schedule, budget and benefits from which to govern and manage the programme

Observations

An interim July 2021 business case was approved to obtain funding to commence

The interim July 2021 business case:

- Identified two key workstreams and deliverables a) Cloud Services Adoption and b) Legacy workload cloud that would form the CAP scope
- Described a list of deliverables and activities that would be worked on in FY21/22
- High-level estimated budget spend of \$9.348m over FY21/22 – FY23/24, with possible hardware and software savings of approximately \$3 - \$5m per annum at completion identified

A more detailed May 2022 CAP business case was prepared and approved by the Chief Executive in July 2022

The May 2022 CAP business case contained:

- **Scope:** The delivery of the following outcomes:
 - Cloud Services Adoption
 - Legacy Workload Migration
 - Modern Workplace Rollout
- **Plan:** A list of planned activities and features that would be worked on in FY22/23 across the three workstreams
- **Cost:** A forecast budget of \$13.844m which included a 15% contingency over the four year period FY21/22 – FY24/25, and Whole of Life (WoL) costs estimates through to FY32/33 estimated at \$1.4m per annum. The \$4.5m increase in costs from the interim business case were outlined, and were identified as arising from better cost estimates, and the inclusion of a new modern workplace (desktop and mobile software upgrade) sub programme
- **Benefits:** A list of financial benefits focused on estimated hardware and software savings of \$3m per annum, less the new cloud ongoing costs of \$1.4m (WoL), resulting in net ongoing savings of \$1.6m per annum starting from FY23/24. A list of additional non-financial benefits relating to future productivity gains were also identified

Findings

Programme scope

The CAP business case described key programme outcomes, i.e. “*Cloud Service Adoption – deploying core services to allow for the consumption of a public cloud SaaS containing content classified at RESTRICTED or below, and to facilitate migration of extant UNCLASSIFIED services to that state.*”

We could not find any evidence of the measurable outputs/deliverables against these outcomes that could have been used as a basis to define what the programme would actually deliver in order to reach its objectives, i.e. there was no work breakdown structure that itemised the programme’s deliverables that each workstreams would deliver aligned to MFAT’s enterprise or partner (i.e. Microsoft cloud adoption framework) cloud strategy.

Programme plan

There was also no overarching programme plan that listed key milestones that could be used as a baseline for programme management and governance to plan, and manage and track the delivery of programme outputs and outcomes. Without a measurable scope defined (as above), we do not see how it would be possible to produce such a roadmap and plan.

Programme costs

We understand the overall budget \$13.844m was developed based on a list of resources and their costs, vendor cost estimates, plus a 15% contingency. There however was no breakdown of the budget by workstream and workstream projects to use as a basis for tracking spend against each initiative. Similar to our programme plan finding, without a defined roadmap and workstream it would not have been possible to prepare this budget breakdown.

We could not find any breakdown of the \$1.4m Whole of Life Costs, except for these being attributed to new Azure costs.

Programme benefits

- Although there is a breakdown of the software OpEx savings of \$1.32m per annum in the business case, we could not find any evidence of the breakdown of the estimated \$1.7m per annum hardware savings that would be generated by migrating off MFAT’s on-premise hardware as part of the Legacy Workload Migration workstream
- No further details were available to describe how the productivity (qualitative) benefits would be realised
- We could not ascertain when either of the hard or soft benefits would be realised as they were not attached to any specific milestones or project deliverable

Observations and findings: CAP delivery to date

2 Identify what the CAP programme has delivered against CAP business case scope

Our summary assessment: The business case did not include measurable outputs with an associated roadmap that could be used to track and reconcile whether and when the programme had met its objectives and MFAT could begin realising the benefits. We have outlined what the programme has been working on and delivered, but are unable to ascertain what was delivered against the unclear detailed business case scope, and therefore what is still outstanding from the 'intended' business case scope of work.

Observations

July 2021 – December 2023

The CAP business cases outlined three programme/workstreams and listed a number of activities and features that the programme would undertake in FY21/22 (July 2021 Interim Business Case) and FY22/23 (May 2022 Detailed Business Case). These however we not detailed enough to define the definitive scope baseline for what the programme would deliver over its four year timeframe.

In December 2023 the programme submitted a Request for Variation (RFV 0004) to the Programme Steering Committee. This variation included a list of what the programme had worked on and delivered to date since the programme's inception in July 2021 for both the **cloud services adoption** and **modern workplace** workstreams, which we have included for reference in Appendix A.

From this list we have highlighted the following outputs that have been released into production between July 2021 and December 2023, and what the programme is planning to complete by June 2024, noting this does not include any value adding work in progress (WIP) such as architectures, requirements and other solution deliverables where the solution is not yet 'live'

Programme scope	July 2021 – December 2023	Scheduled January - June 2024 per Variation 0004
Cloud Services Adoption	<ul style="list-style-type: none">Azure MVP Landing Zone for SaaS HRMS programmeAzure Landing zone for M365Set-up Azure Dev OpsMS Defender for endpoint (laptops and desktops) securityRoll out of Z-ScalerAzure ARC for on-prem Window server	<ul style="list-style-type: none">Azure Enterprise Landing ZoneAzure Integration as a platform (IPaaS) to support FMISSentinel Log MonitoringAzure Operating model
Modern Desktop	<ul style="list-style-type: none">Pip11 Digital Diplomacy SuitesMultiple factor authentication expansionMicrosoft Teams LiteM365 Office Productivity applications Pito	<ul style="list-style-type: none">Complete Roll-out of MS365 Office productivity applicationsMS One Drive for BusinessMS Team Federation, Meeting rooms, webinars, whiteboard, bookings (TBD)
Legacy Workload Migration	<ul style="list-style-type: none">None	<ul style="list-style-type: none">None

Findings

July 2021 - December 2023

- Without a clearly detailed scope baseline we cannot realistically compare what has been listed as completed (per Appendix A) and reconcile that back to what was targeted in the CAP business case scope
- We also cannot ascertain what additional work has been performed by the programme such as Identity Access Management, given it is not possible to determine which of these activities should have been part of CAP or not
- The Legacy workload cloud migration workstream was paused in 2022 with no workloads migrated into the cloud (refer scope area three) and none planned in the draft DWTP business case for FY24/25 onwards
- The Azure MVP Landing Zone for SaaS HRMS programme that was delivered was not correctly architected and developed (see scope areas four) and is now costing IMD significantly more OpEx than expected and will require to be remediated in the future with additional cost to the programme
- In 2023 the CAP programme was merged with the Te Aka (Intranet) and GDM (Enterprise Content Management Solution) replacement project and delivered a number of early life-cycle deliverables before being paused in December 2023

January – June 2024 (Variation 0004)

- It was only in 2023, to support the June 2023 Investment Committee update and the creation of the current draft DWTP Business Case, did the programme team began to deconstruct the high-level CAP programme objectives into measurable outputs with their own associated delivery timeframes. However, it was not until December 2023 through variation 0004 that a new baseline scope for the programme was approved
- The programme has built an IPaaS solution to be operationalised for future SaaS integration, however in the short term it will be only partially utilised by FMIS which will go live using the existing cloud broker (refer scope area four).

Observations and findings: CAP spend to date

3 Assess and understand the CAP business case spend to date

Our summary assessment: By the end of FY24/25 the programme is forecasting to have spent approximately \$2.9m more than the total May 2022 CAP business case budget. The draft business case for DWTP is currently estimating another \$12m is required to deliver what programme management believe is the remaining 'intent' of the original CAP business case.

To FY23/24 there has been limited realisation of the anticipated business case benefits.

Observations

The following is management-provided budget, actual and forecast spend for the completion of the CAP components of the DWTP to June 2024:

	FY21/22	FY22/23	FY23/24	FY24/25	Total
CAP Interim Business Case – July 2021	\$5.09m	\$2.76m	\$1.5m	-	\$9.35m
CAP Detailed Business Case May 2022 (Baseline)	\$2.66m	\$5.47m	\$4.12m	\$1.6m	\$13.85m
DWTP/CAP spend to December 2023	(\$2.5m)	(\$5.88m)*	(\$3.58m)*		(\$11.96)
Forecast spend January to June 2024			(\$4.76m) **		(\$4.76m)
Total DWTP/CAP related forecast spend at June 2024	(\$2.5m)	(\$5.88m)*	(\$8.34m)*		(\$16.72m)
Baseline business case less total forecast spend as at June 2024	\$0.16m	(\$0.41m)	(\$4.22m)	\$1.6m	(\$2.87m)

* Includes \$0.18m for FY22/23 and \$0.47m for FY23/24 that relate to Te Aka and GDM replacement projects spending charged against the CAP programme

** Based on the Jan-June 2024 budget estimations contained as part of variation 0004 funding request for an additional \$4.37m approved in December 2023

We have not independently assessed these numbers provided by MFAT

Findings

Total programme costs

- The programme is forecasting a spend total of \$16.72m, i.e. a \$2.87m overspend by June 2024 against the CAP business case. This overspend includes the \$1.6m budget that was only forecasted to be consumed in 2024/25 as per the business case
- FY22/23/24 also included approximately \$653k of spending for the Te Aka and GDM replacement workstreams and \$210k for MS Teams headsets that have been costed to DWTP but were not part of the original CAP business case. The programme received additional funding of \$447k (232k Te Aka/GDM, \$215k Headsets) through Request for Variation 0003
- DWTP is forecasting in the draft business case that approximately \$12m is required to deliver the remainder of the CAP intention from FY24/25, which although outside the area of this scope, does provide context as to what the total spend for CAP is forecasted to cost

Granularity of spend

- As observed in scope area one, we were unable to obtain a breakdown of the approved business case budget into the three key delivery workstreams, and their individual deliverables or projects that these workstreams (i.e. MS Teams, MS Exchange Online) would produce over the business case period
- The capture and recording of actual spend by the programme up to early 2024 was grouped at the overall programme level. The programme's PMO advised that it was not until February 2024 that the actual spend by workstream breakdown could be relied upon. Programme Management have confirmed that all programme spending can be mapped to the CAP business case scope, with the only exceptions being GDM & Te Aka replacements

Financial benefits realisation

- \$3m of annual benefits were identified in the business case estimates. These were mostly related to the legacy workload migration workstream which as per scope area two was paused, and therefore these financial benefits have not been realised
- We were advised that the Information Management Division (IMD) has incurred significant addition OpEx costs, as they began leasing servers instead of buying on the basis of the planned migration of legacy workloads from on-premise to the cloud which has never eventuated

Observations and findings: Key programme issues

4 Assess and identify key issues facing the CAP programme to date

Our summary assessment: We have highlighted five issues that have impacted the programme's ability to deliver the business case to-date. None of these of these issues have yet been fully resolved and will continue to impact the programme's ability to work in the most efficient and effective manner. These key issues form the basis for a number of our recommendations.

Issue	How this has impacted the programme	Currently resolved?	What further steps are required to resolve?
<p>Lack of programme management delivery excellence over the first two years of the programme</p> <p>As described in scope area one and demonstrated in scope areas two and three, the programme business case was never fully articulated to define what the programme will actually deliver at a transparent and granular level in order for the programme to have the necessary baseline to monitor, control, manage and report against.</p> <p>The only thing that could be reported on was the spend at a non-granular, consolidated programme level.</p> <p>This is not aligned to what we would consider best practice for managing programmes of work, and it is also not what is generally expected from MFAT's Project Delivery Services (PDS) perspective in terms of their operating standards, and especially compared to other programmes of work at MFAT.</p>	<p>Without a robust defined enterprise cloud strategy architecture, scope, roadmap and detailed delivery plans programme management have not been able to effectively:</p> <ul style="list-style-type: none"> • Monitor, control and report delivery and spend progress, i.e. 'spend % budget against a delivered y%' • Sequence and manage inter and intra workstream activities and dependencies • Monitor, control and report against success criteria, and in particular benefits identification through to realisation • Optimally plan, onboard, utilise and off board resources when they are actually needed per the project delivery plan activities • Report to and manage stakeholder expectations on programme delivery performance • Enable the Steering Committee to fulfil their core governance role of ensuring the delivery of the business case scope, benefits, plan, cost and management of related risks 	<p>FY23/24: Partly</p> <p>FY24/25 onwards: In Progress</p>	<p>FY23/24: It was only in early 2023 the programme began to breakdown and articulate what and when the programme would be delivering measurable outcomes. This was used as a basis for the June 2023 Investment Committee update and formed the basis of the approved programme variation 0004 in December 2023. This variation outlined a definitive scope of work and timeline which are supported by more detailed project plans and budgets for each workstream and their individual projects. This will be the first test whether the programme can deliver what was agreed in that variation by June 2024.</p> <p>FY24/25 onwards: The draft DWTP business case has/will, once finalised, outline the remaining scope of work that will be delivered by the programme, contain a roadmap outlining how and when this work will be sequenced and delivered, supported by a resourcing and costing model aligned to the delivery roadmap (see scope areas five and seven for more information).</p>

Observations and findings: Key programme issues

4 Assess and identify key issues facing the CAP programme to date

Issue	How this has impacted the programme	Currently resolved?	What further steps are required to resolve?
<p>Lack of focus on the enterprise benefits that the programme will deliver</p> <p>The programme focus to date is to provide a number of new solutions to a) support other programmes such as HRIS and FMIS, and b) enable MFAT to remain up to date with software versions required for operational resilience, compliance, and security. We acknowledge these benefits are important.</p> <p>Although enterprise benefits such as new ways of working, increased productivity, and financial savings benefits were highlighted in the original business case, we have not seen any further work performed, via a benefits management plan, to ensure these benefits are properly identified, qualified, quantified, assigned ownership, reported on, and have a plan in place to realise.</p>	<ul style="list-style-type: none"> The primary purpose of any programme is to deliver benefits to the enterprise. If these are not adequately identified, qualified, quantified and assigned ownership for ensuring their realisation, it is not possible for a programme to determine whether its objectives (business outcomes) have been achieved beyond delivering new technology solutions (programme outputs) If the enterprise benefits are not properly identified, qualified and quantified then it removes a key lever for the prioritisation and sequencing of future work, and appropriate context does not exist to contextualise the future spend and drive this expenditure to realise planned benefits Additionally per scope areas three, a number of planned financial benefits outlined in the business case have not been realised and to date there is no formal recognition of this 	No	<p>A number of high level enterprise benefits have been identified in the draft DWTP business case for FY24/25, but these are not currently detailed enough. Like the original business case, we have not seen any further work completed by the programme (see scope areas seven) to establish a benefit management plan required to realise the planned benefits and 'return on investment'.</p>

Observations and findings: Key programme issues

4 Assess and identify key issues facing the CAP programme to date

Issue	How this has impacted the programme	Currently resolved?	What further steps are required to resolve?
<p>Internal productivity issues created additional challenges</p> <p>Without having a baseline for measuring what has been delivered against plan, it is difficult to objectively assess the programmes' performance. However throughout our interviews we have consistently been advised the programme had not run optimally and that MFAT have not received fair value from the circa \$12m spent in the two and half years to December 2023. The three constant themes that arose include:</p> <ol style="list-style-type: none"> 1. There has been a lack of proper programme and project planning to ensure that resources are utilised effectively when they are actually needed, to deliver against planned deliverables 2. Moving to the cloud has never been fully accepted by a number of IMD's leadership team and therefore have constantly 'buted heads' with the delivery of the CAP programme, i.e. there is no shared vision. This continued even when the programme began bringing IMD BAU resources onto the programme. The programme therefore lacked the necessary sponsors and 'agents' of change to help drive the programme's success and interviewees noted this has been a major barrier to the programme's success (with much stronger terms used in some interviews) (cont.) 3. There has been no definitive identification, agreement and communication upfront of which resources from the programme and business are accountable, responsible and need to be involved in making key decisions, and the production of deliverables throughout the life-cycle of each individual initiatives (i.e. MS Teams, MS Exchange Online) from planning and initial requirements/design through to go-live. We would typically see this in a RACI matrix contained in an overall programme management or quality management plan 	<ul style="list-style-type: none"> • As highlighted in the issue 'programme delivery excellence' • There has been a lack of the necessary buy-in from key stakeholders to support, enable and drive the programme's vision and its delivery, including a breakdown in relationships between the HRIS tech stream, CAP leads and the IMD architecture unit • This has led to endless (per interviewee commentary) discussions, debates, iterations, and re-iterations regarding what the programme should be delivering and how it should be delivered. Interviewees note this has caused massive delays to the programme's delivery cadence and frustrations from both programme resources and IMD teams. Some of these impacts include: <ul style="list-style-type: none"> – We have been advised it has taken over 12 months to get all the necessary key decisions made in order to progress the implementation of the MS Exchange Online project, such as, making a decision on a sovereign data compliance and archiving of historical emails aged over seven years. This project is a key dependency for the remainder of the modern desktop rollout – When MS teams went live in 2023, last minute decisions were made to remove some planned functionality. We were unable to determine why these types of decision were made at such a late date and not when the MS Teams solution requirements and design were being prepared and approved much earlier in the programme – There has been a high turn over of key programme personnel with some interviewees describing the programme environment as "toxic" – There have been five programme managers to date, and we understand the first four had "major fallout" with the IMD leadership team 	In progress	<ol style="list-style-type: none"> 1. We have observed better project planning for the period January to June 2024 through variation 004 and the draft DWTP business case for FY24/25 onwards (noting this is still in progress) 2. The creation in late 2023 of the Product Management Group (PMG), which is made up of programme delivery resources and IMD service management leadership, is designed to facilitate joint decision making and ownership of the solutions delivered by the programme 3. Programme management has advised that they plan to revisit the existing RACI (roles and responsibilities) to ensure it is fit for purpose to support the delivery of project deliverables and milestones

Observations and findings: Key programme issues

4 Assess and identify key issues facing the CAP programme to date

Issue	How this has impacted the programme	Currently resolved?	What further steps are required to resolve?
<p>The programme did not leverage external capability and was solely accountable for all delivery, cost and solution quality risk</p> <p>The business case makes mention of the utilisation of a cloud partner, however the cloud partner only provides 'body shopping' resources to the programme and is not engaged to provide specific outcomes and deliverables, i.e. the cloud provider does not have any accountabilities or 'skin in the game'.</p>	<ul style="list-style-type: none"> Cloud partners are held at arms length with MFAT taking an approach of 'MFAT know better'. It is however not clear what this is based on MFAT is entirely responsible for the delivery of a fit-for-purpose cloud solution programme. MFAT however do not have the inhouse IMD cloud skills and expertise to deliver such a programme, and to manage this have recruited and utilised a workforce of independent contractors, none of whom have any 'skin in the game', i.e. MFAT is solely accountable for delivering an important technology-enabled programme An example of how these issues have come to life is the programme's delivery of an Azure Landing Zone MVP to support MFAT's HRIS SuccessFactors programme. It has been consistently acknowledged that this solution had not been architected and was built incorrectly due to a lack best practice inhouse cloud knowledge, and in particular did not follow the Microsoft Well Architected Framework. This solution now needs to be remediated at additional cost. 	Partially/in progress	<p>DWTP Business Case</p> <p>Based on the current draft DWTP business case, the programme has engaged with their cloud partner to deliver specific outcomes for the Te Aka (intranet) and GDM (Enterprise Content Management System) workstreams.</p> <p>We however do not see any evidence of a proposed change to the delivery model and engagement of a partner for the remainder of the original CAP workstreams, although we can see that the programme is now adopting the Microsoft Well Architected Framework for current Azure developments.</p> <p>Future Operating Model</p> <p>A separate Future Operating Model (FoM) workstream for the IDM division is currently in progress, which includes looking at how programmes of work should be delivered and managed, including whether they should be in-sourced co-source or out-sourced and having the necessary cloud capability where it is required.</p>

Observations and findings: Key programme issues

4 Assess and identify key issues facing the CAP programme to date

Issue	How this has impacted the programme	Currently resolved?	What further steps are required to resolve?
<p>Enterprise portfolio management did not exist to create a clear view of the relationship of MFAT's cloud platform to other initiatives requiring cloud capability</p> <p>We have seen three instances (HRIS landing zone, FMIS mobile app deployment, FMIS integration platform) whereby the programme has been requested to switch focus and deliver tactical deliverables in order to help facilitate solutions before the 'cloud ready' platforms have been created.</p>	<p>In a perfect world MFAT would already be 'cloud ready' and have all required cloud services ready and available to be used and consumed by other programmes as and when required. However, requests for these services are being made whilst the programme is still inflight resulting in:</p> <ul style="list-style-type: none"> CAP needing to commit resources to deliver 'other programmes' tactical pieces of work rather than continuing with their strategic direction, i.e. HRIS MVP and Payroll (including post calculator, and financial delegations which were at a later date found to be functions in the old payroll system) Sunk considerable effort and cost, and then not being able to deliver the required services in the timeframes required resulting in inefficiencies for both programmes e.g. FMIS App Management and FMIS integration platform 	No	<p>We have seen this with other organisations, whereby demand for cloud services are required before the cloud platform has been fully established, resulting in tactical solutions being implemented that may not be required once the cloud platform is fully established.</p> <p>Taking an enterprise portfolio view could help to identify where new upcoming projects and programmes require cloud services, and whether those cloud or mobile services will be available as per the DWTP roadmap so that the right programme sequencing decisions can be made.</p>

Observations and findings: DWTP business case

5 Understand and assess the new Digital Workspace programme (DWTP) scope

Our summary assessment: We have read the draft DWTP business case and supporting schedules and will comment as to the appropriateness to set-up the programme for success in scope areas seven. We do note that the current draft DWTP business case is the first time a combined CAP and Te Aka/GDM replacement programme scope, roadmap and costing has been produced for official endorsement by the Steering Committee and Investment Committee.

Observations

Current approved scope (Variation 0004) to June 2024

An updated business case was due to be presented at the end of 2023 to seek approval for the completion of the entire envisioned DWTP scope (including Te Aka and GDM replacement) to FY25/26. A decision was made to defer this business case and instead a Request for Variation (0004) against the original business case was submitted for \$4.37m of additional funding for the remainder of FY23/24 to deliver specific outputs. A project plan schedule with key milestones have been created for each of the four workstreams:

- Continue Cloud Services Adoption initiatives with a reduced scope of a) IPaaS set-up for usage by the FMIS programme) and b) an Enterprise Azure landing zone
- Continued the Modern Desktop Rollout with specific deliverables identified to be completed by 2024 for mobile device management (Intune Rollout), Exchange Online, Modern Office Client (M365), Windows 11 and Teams Collaboration tools
- Develop a Cloud Operating Model to support the handover from the programme to BAU
- New project to enhance security event logging and establish a security monitoring capability for cloud services

Te Aka Internet and GDM replacement workstreams was paused until the new business case is approved.

Future scope – FY24/25 onwards

- An initial draft business case is currently being prepared outlining the full scope of work for the completion of the DWTP, including:
 - Completion of Cloud Services Adoption and Modern Desktop Roll out (FY24/25)
 - A new Enterprise Content Management System (ECMS) to replace GDM (FY24/25/26)
 - A new Intranet to replace Te Aka (FY24/25/26)
- The draft business case includes a high level roadmap with key milestone breakdowns for each of the sub programmes deliverables. The programme has developed these estimates based on programme SME estimations and vendor indicative duration and costing estimates from Cap Gemini for Intranet and ECMS, ISEC7 for the Intune roll-out, and Spark for Exchange Online
- The programme has mapped out the dependencies between workstreams and is continuing to work on more detailed project plan schedules in order to provide more trust and confidence around the delivery of the high level roadmap
- A draft resource plan and cost budget has been created that supports the high level roadmap time and effort estimate at the workstream level and individual project levels. These budgets have been peer reviewed for resource availability and rates by the programme PMO
- The programme plans to present to the Programme Steering Committee the draft business case workings (scope, time and cost) in order to prioritise these deliverables and their costings for submission to the Investment Committee.

Findings

Current approved scope (Variation 0004) to June 2024

- Project Management and Governance should now be focused on monitoring, controlling and reporting on agreed deliverables, timeframes and budgets up to 30 June 2024
- Due to anticipated MFAT funding constraints from FY24/25, there is a risk the programme may find themselves in a situation whereby costs will be incurred/sunk for projects and deliverables that are scheduled not to be completed by June 2024 will not be approved to continue from July 2024 onwards, e.g. Windows 11

Planned future scope FY24/25 onwards (DWTP business case)

- As described in scop areas one and two we were not able to identify an initial baseline scope of work for CAP, and accordingly are unable to determine whether the new DWTP scope as contained in the draft business case has expanded or shrunk this
- The biggest change between the original CAP scope and the scope contained in the DWTP Business Case is the inclusion of the new Te Aka Internet and GDM replacement workstreams
- Although the CAP and Te Aka/GDM Replacement programmes combined in 2023 from a governance and project management perspective, Variation 004 and DWTP Business Case are the first approved programme artefacts we have seen that officially identifies the scope, plan and costs for the combined programme
- We note the finalised scope for DWTP is still being determined with programme management planning meetings with the Steering Committee to prioritise what scope will be included in the entire FY24/25/26 business case for presentation to the Investment Committee. To achieve this the Steering Committee will need a good understanding of the risk/benefits of doing or not doing certain projects, and to measure this against the costs already sunk and remaining cost to complete in order to properly prioritise

Observations and findings: DWTP governance

6 Assess the governance and PSC construct

Our summary assessment: Programme management and a Steering Committee has been established and are operating to deliver and govern the business case. As previously expressed without a firm baseline it has been extremely difficult to manage and govern in an effective manner which has led the Steering Committee getting involved in day-to-day programme decision making. Since variation 0004 the programme now has a baseline of scope, time and costs (but no benefits) that can be monitored and controlled which should now be the Steering Committee's primary focus, however to enable the Steering Committee to perform their role and discharge their responsibility effectively more specific and consistent governance reporting is required.

Observations

Programme governance

- The DWTP programme arose in mid 2023 from the amalgamation of the Cloud Adoption Programme (CAP) and the Te Aka/GDM replacement programmes. A DWTP Steering Committee was established to provide governance across the new programme comprising representatives from both programmes
- The Programme Steering Committee has a broad range of membership from IMD to represent the service owners of the proposed technical solutions, and representation of the future consumers of the business facing solutions covering both head office functions and overseas posts, as well as programme delivery leadership. The PSC is co-chaired by the CIO IMD and Division Manager CMD, and is informed by a Terms of Reference
- The Steering Committee is scheduled to every four- six weeks, and programme management provide information packs before each meeting, and minutes of the meeting are recorded and circulated (Met in Nov, Dec, Feb, Mar)
- Programme management are working with the former Te Aka/GDM Steering Committee representatives in order to upskill on the more technical cloud foundation projects the DWTP is delivering

Project and programme management (assessed since Variation 0004 – December 2023)

- Each workstream within the programme is assigned a project manager who manages and controls the various projects within their respective workstream. Each project has a detailed project plan for the delivery of agreed outcomes by June 2024 as per Variation 0004
- The Project Managers provide status (schedule, budget, scope, resources, risk, issues and dependencies) reports every fortnight for their respective projects. They are supported by a Programme Manager and PMO who are responsible for controlling, monitoring and reporting at the consolidated programme level
- In late 2023 the programme created a new Product Management Group (PMG) made up of the impacted IMD service owners and project and programme management. The PMG meets weekly to discuss and agree resource allocation, removal of issues blockers, prioritisations, and to create a collective responsibility of programme success across programme and IDM. The other main objective of the PMG is remove detailed project discussions from the Steering Committee so the Steering Committee can focus on their core governance role

Findings

Programme governance

- Until the approval of Variation 004 there was no agreed baseline from a scope, time, cost perspective for the Steering Committee to govern. Without this proper baseline there was a general feeling the Steering Committee had instead become too involved in the minutia of programme delivery in terms of resolving individual project issues rather than focusing on their primary responsibility of supporting and ensuring the programme was delivering the agreed outcomes and benefits within the time and cost constraints as provided through the business case. We note however this is a natural reaction when programme governance do not have sufficient programme baselines from which to govern from
- Although reporting packs are currently provided to the Steering Committee to support meetings, it was felt reports are too consolidated (i.e. a dashboard at the programme level) and narrative driven in terms of what was being done rather than what was delivered. This prevents Steering Committee members from really understanding what was going on for each of the discrete outcomes/projects the programme was delivering. In order to provide proper governance the Steering Committee require measurable and consistent reporting that allows the Steering Committee to understand how each project within the programme is performing against scope delivery, milestone, cost, and risk expectations. This can now be provided as there is now a baseline to measure against since variation 0004 was approved
- Further clarification is required in terms of the roles and responsibilities and decision making authority between the Steering Committee and programme management. This has been raised in the context:
 - Programme management changed tack in late 2023 and began pursuing 'quick wins' which the Steering Committee members thought should have been first ratified through them - possibly as a scope or plan change variation
 - There is a view Variation 0004 was presented to the Steering Committee by programme management in a way that was a fait accompli, for a hasty endorsement in order for the Investment Committee to approve
 - Steering Committee members advising the programme team what implementation methodologies should be utilised
- There were concerns from some PSC members that the minutes of the meetings sometimes did not record correctly all decisions made and required re-writes or often required relitigating at follow-up meetings.

Observations and findings: DWTP confidence

7 Assess the capability and confidence in place to deliver the DWTP programme

Our summary assessment: As the draft DWTP business case and supporting documentation is still currently being prepared, in particular what scope will be included which will drive the final planning and costing, we are unable to provide a delivery confidence rating that reflects that expected from a final draft business case. However, programme management's approach to develop the business case is improved from the previous CAP business case, and if continued to an appropriate level of quality should be able to provide a far greater level of confidence to management and governance that they will have the capability to deliver it. We have described the key considerations required to develop the remaining business case, and in scope areas four we have highlighted a number of issues that will still need to be resolved.

Observations

As highlighted in scope areas five the programme has yet to finalise the DWTP business case that will outline the scope (outcomes and outputs), delivery plan, costs and benefits that the programme will be entrusted to deliver from July 2024. However in assessing the current draft we can see an important shift when compared to the original CAP business case, that if maintained through to the business case finalisation will provide the Steering Committee and Investment Committee with substantially more trust and confidence that the business case mandate can be delivered by the programme through:

- Outlining measurable scope outcomes and outputs that the programme will deliver over the business case period. This will provide a measurable baseline for managing any changes to scope
- Supported by a high level programme plan, which in itself is supported by more detailed (in progress) sub programme/workstream project plans that will provide a measurable baseline for monitoring and controlling performance of the programme moving forward (noting we have not completed a detailed assessment of the plan and schedule)
- Budget and resourcing estimates that are aligned to the high level programme plan on a month by month basis, and down to workstream level and project level (noting we have not completed a detailed assessment of the budget and resourcing)
- We have been advised that programme costs are now captured at the work stream level rather than at the programme level since February. This will provide a better measurable baseline for monitoring and controlling financial management of the programme
- The programme is planning to continue utilising the current internal resourcing model and vendors (Spark and ISEC7) for the modern desktop rollout and for the current cloud adoption planning
- The programme is planning to utilise their cloud partner vendor, who has been involved in early planning for Te Aka and GDM replacement and has provided indicative costing and duration estimates for their implementation. The intention is to use this as a basis for an 'outcomes' based commercial model

Findings

Before the business case is finalised

- Ensure that the approach, as adopted to date, for the business case is continued until the business case is finalised to prepare:
 - A clearly defined scope and outputs aligned to business benefits, and outcomes aligned to the agreed enterprise cloud adoption strategies
 - A high level programme plan and key milestones that depict when these outcomes will be delivered for all workstreams that will implement the scope of work. This should be supported by detailed project planning and dependency mapping. Where any detailed planning is not completed a list of assumptions, and their related risks, should be validated (i.e. estimates are based on project SMEs or vendors who have performed these activities before)
 - Budget and resourcing estimates that are aligned to the workstreams and project planning
 - A whole of life costing model should be validated/assured, especially the Microsoft M365 and Azure licencing costs as getting this wrong could be very expensive for MFAT
 - Programme benefits that are properly identified and qualified, quantified where possible, and aligned to the delivery roadmap
- Ensure that the business case includes a suitable amount of contingency where any detailed planning has not been completed (uncertainty) and if any vendor indicative costings that have been provided are contingent on any further detailed exploratory work required before costing estimates can be confirmed (Te Aka and GDM replacement)
- Ensure that the business case has gone through the appropriate amount of peer review and internal assurance from Finance and PDS
- Ensure it has the appropriate technical and programme assurance planned throughout the roadmap
- If confirmation of the business case funding for FY24/25 is delayed the programme is at risk:
 - That contractor internal delivery resources will depart to secure employment elsewhere, or the ability to recruit new/replacement will be delayed causing cadence delivery issues from July 2024
 - Vendors will not be able to mobilise and commence as per the business case programme schedules
 - Any scope deferred from the business case will likely become more expensive to operate and remediate the longer MFAT waits due the age of the platforms that MFAT is wishing to update, and an ever decreasing skill sets in the market who understand these old platforms

3

Appendices

Released under the
Official Information Act

Appendix A: CAP delivery July 2021 – December 2023

The following is programme management's description of the work completed to date for each financial year ahead of the December 2023 with Request for Variation 0004

Financial Year 2021 – 2022				
	Q1 (01/07/2021 - 30/09/2021)	Q2 (01/10/2021 - 31/12/2021)	Q3 (01/01/2022 - 31/03/2022)	Q4 (01/04/2022 - 30/06/2022)
Modern Workplace			The focus for this period was on Device Management, exploring ways to provide administrative users with a unified view to monitor and manage Ministry-managed devices. Additionally, there was an emphasis on the delivery of the Pip11 Digital Diplomacy Suites on Level 13 of HSBC.	The Device Management stream integrated Intune (MS Cloud device management capability) with SCCM (existing on-premises capability), including testing and implementation.
Future Operating Model				
Cloud Services Adoption	The focus was on enabling and supporting the implementation of the HRIS capability, specifically for SAP/Success Factors, through Hybrid Cloud Identity on an Azure Minimal Viable Product (MVP) solution.	Detailed feature planning was completed. Additionally, the programme-initiated development of cloud enterprise practices, an ongoing effort to enhance the Ministry's cloud capabilities and practices.		Defender for Endpoint (device security toolset) was delivered and enabled for desktops and laptops, supported by a RACI chart. A pilot program for enterprise cyber security threat detection and response tools began. A communications plan for Defender for Endpoint was developed. Messaging Migration outlined a project brief and procurement plan, with detailed consideration of technical aspects and challenges.
Financial Year 2022 – 2023				
	Q1 (01/07/2022 - 30/09/2022)	Q2 (01/10/2022 - 31/12/2022)	Q3 (01/01/2023 - 31/03/2023)	Q4 (01/04/2023 - 30/06/2023)
Modern Workplace	The programme expanded multi-factor authentication to cover a broader range of use cases and scenarios, bolstering overall security of the cloud ecosystem. In the context of video conferencing, a comprehensive security review of web cameras was conducted by Kordia. Simultaneously, business requirements were established to enhance the security of Orange laptop cameras, ensuring the confidentiality and integrity of video conferencing sessions.	Initial steps were taken to configure Microsoft Intune for Mobile Device Management.	In Mobile Device Management, a design was created for Intune stage one for iOS (iPhones and iPads) and MacOS (Apple laptops). MS Teams Lite on mobile phones with an implementation plan was piloted, however due to security constraints this was not released into production. Integration of Hybrid Exchange to enable MS Teams Lite calendar functionality. For the Modern Office Client, activities included creation of an M365 Office install package, establishment of a requirements traceability matrix, and deployment of the Office Readiness toolkit for ad-in and macro analysis.	The highlight of this period was the extensive rollout of Microsoft Teams Lite. This initiative included the deployment of Teams 1:1 Chat, Teams Group Chat, Teams Meetings, and Teams 1:1 Calling and integrated calendaring. The Teams Lite rollout also included the ability to conduct Teams meetings using existing video conferencing technology, facilitated by a remote global deployment to video conferencing devices at posts to maximise participation in Teams meetings worldwide.
Legacy Workload Cloud Migration				
Cloud Services Adoption		During this period, the Ministry prioritised Azure security with a policy-based routing (networking) review and addressed Azure hosting configuration issues.		

Appendix A: CAP delivery July 2021 – December 2023

Financial Year 2023 – 2024		
	Q1 (01/07/2023 - 30/09/2023)	Q2 (01/10/2023 - 22/12/2023)
Modern Workplace	<p>In Mobile Device Management, a comprehensive test plan was developed for MS Intune and functional testing scripts for mobile devices.</p> <p>Messaging Migration included test planning for Exchange Online and functional test scripts for laptops and mobile devices.</p> <p>For the M365 Office client, solution requirements were drafted, testing was conducted for M365 Apps, and legacy technical debt in Active Directory was addressed.</p> <p>Notably, Skype for Business was decommissioned and the Digital Workspace (M365) – High Level Architecture Design was signed off.</p>	<p>The Modern Office Client workstream has made several achievements. The most notable being the successful completion of a technical pilot for the M365 Office apps, followed by a business pilot involving 100 global staff, which is receiving overwhelmingly positive feedback. Also, the workstream is piloting M365 federation with multiple organisations including the Ministry Primary Industries, Health New Zealand and United Kingdom's Foreign, Commonwealth & Development Office.</p> <p>The draft requirements have been prepared for OneDrive for Business/Co-authoring, Exchange Online, MS Teams Webinar, and Mobile Device Management via Intune. Progress includes starting the configuration of the One Drive for Business solution, drafting the solution design for Exchange Online. Additionally, a security review for mobile phones and video conferencing equipment has been completed, and the implementation of the Hybrid Exchange Server in Acceptance is underway in preparation for cloud migration of emails.</p> <p>The Platform Privacy Impact Assessment (PIA) for M365 and Azure has been signed off by the Privacy Officer.</p>
Legacy Workload Cloud Migration		
Cloud Services Adoption	<p>In the Azure workstream, the installation of Azure ARC was progressed across approx. 200 on-premises Windows 2012 Operating System servers going out of support in October 2023. Azure ARC gives the ability to apply security updates on a monthly basis while the servers are being upgraded to Windows 2016, therefore avoiding the upfront payment of additional annual licencing.</p>	<p>The Azure workstream has seen considerable progress, with the development of a draft landing zone design and a redesign of Azure billing and subscriptions. A new cloud broker solution has been built, alongside the development of a future backlog of enhancements to Azure networking.</p>
ECMS	<p>Regarding the Enterprise Content Management System (ECMS), a content audit was performed, a migration strategy was drafted, and user requirements were refined. A Business Advisory Group was also established.</p>	<p>The ECMS workstream has made robust progress, including the completion of an information audit report awaiting review and sign-off. The Project completed the development of Levels 1 and 2 of the Taxonomy, drafting and consultation on Physical Records Management requirements, and the finalisation of the Records Management standard, which encompasses versioning and preservation, now ready for review and sign-off. Additionally, early engagement with our Cloud Partner has been initiated to ensure delivery approach alignment of the ECMS and the New Intranet, complemented by the preparation of Draft Project Management Plans.</p>
Intranet	<p>The Intranet replacement project also saw progress with the creation of user stories and has initiated the formation of a Business Advisory Group to guide future developments.</p>	

Appendix B: Personnel interviewed

The following personnel were interview during our fieldwork

Person	Division	Position
s9(2)(ba)(i)	PDS	Acting Manager Programme and Project Delivery
	PDS	Divisional Manager
	PDS	Acting Principle Portfolio Advisor
	IMD	Digital Change and Business Enablement Manager
	IMD	Programme Manager – Digital Workspace Transformation Programme
	IMD	Portfolio Co-ordinator
	IMD	DWTP Project Manager – Azure and ICT Security Monitoring
	IMD	DWTP Project Manager – Modern Desktop
	IMD	DWTP Programme Business Analyst
	IMD	Chief Information Officer (CIO) - DWTP Programme Steering Committee (co-sponsor)
	IMD	Technology Operations Manager
	SORD	Divisional Manager – DWTP Programme Steering Committee
Rob Taylor s9(2)(ba)(i)	PO	DCE PO
	IMD	Commercial Advisor
	FIN	Unit Manager
	IMD	DWTP - Senior Technical Lead
	IMD	CIO Advisor

Appendix B: Personnel interviewed

Person	Division	Position
s9(2)(ba)(i)	PEP	Head of Capability, Culture Performance - DWTP Steering Committee -
	IMD	Strategy & Planning Manager
	Vendor	Cap Gemini
	SHA	Consul General Shanghai - DWTP Programme Steering Committee
	PEP	Head of Partnerships & Delivery
	AMD	Divisional Manager
	PACMM	Divisional Manager - DWTP Programme Steering Committee
	IMD	Enterprise Solutions Architect
	CMD	Divisional Manager - DWTP Programme Steering Committee (Co-Sponsor)
	Vendor	Microsoft

Appendix C: Documentation Read

The following documentation was provided and read during our fieldwork

Document	Document Date	Description
IMD Cloud Acceleration Programme Business Case (Interim) 2021/22 Financial Year V1.0	July 2021	Approved interim Business Case (BC) to fund and kick start the Cloud Acceleration Programme (CAP). Includes programme activities for FY21/22 and a high level budget estimate out to FY23/24 to deliver the programme
IMD Cloud Acceleration Programme Business Case 2021/22 and 2022 V2.0	May 2022	Approved full BC for CAP. Includes activities out to June 23 and full budget estimates out to FY24/25 to deliver the programme
Memo to Chief Executive – Business Case Approval Request	July 2022	CE Approval of Detail Business Case
CAP Variation request 003	June 2023	Approved additional funding request for 4 additional pieces of un-scoped work performed by the programme for FY22/23
Meeting Paper – Investment Committee - Investment Plan Update	June 2023	DWTP Update to IC
CAP Variation Request 004	December 2023	Approved additional programme funding request and scope realignment for the remainder of FY23/24 (includes the removal of GDM and Te Aka from scope)
Invest Committee Meeting Paper (7.1)	December 2023	Endorse Variation 0004 for \$4.37m of additional funding
Digital Workspace Transformation (DWT) – Programme Implementation Business Case V0.7 (Draft)	February 2024	Draft Business Case for the completion of the CAP Programme (renamed DWTP) which also includes replacement solutions for Enterprise Content Management Solution GDM and Te Aka Intranet
20240208 Draft DWTP HL Programme Block Plan (Draft)	28 Feb 2024	Draft (WIP) High Level Plan for the CAP Components of DWTP depicting the completion of the realigned scope out to June 2025 as per the Variation Request 004
Draft DWTP HL Programme Block Plan (Draft)	19 March 2024	Updated Roadmap for PSC submissions
DWTP Dependencies	14 March 2024	Map of intra and inter DWTP dependencies
Azure Implementation Feb 2024	27 Feb 2024	Draft Project plan schedule for delivery of Azure as per the Variation Request 004 realigned scope
ICT Security Monitoring And Training WBS (27022024)	27 Feb 2024	Draft Project plan schedule for delivery of ICT Monitoring as per the Variation Request 004 realigned scope

Appendix C: Documentation Read

Document	Document Date	Description
DWTP Modern Desktop Initiatives	26 Feb 2024	Draft Project plan schedule for delivery of Modern Desktop as per the Variation Request 004 realigned scope
Project Management Plan Intranet	October 2023	Draft PMP for Te Aka Intranet Replacement
Project Management Plan ECMS	September 2023	Draft PMP for DCM Replacement
DWTP Op Model WSR – Workstream Status Report	16 Feb 2024	Bi weekly workstream status report (overall status Red)
DWTP Azure WSR – Workstream Status Report	16 Feb 2024	Bi weekly workstream status report (overall status Amber)
DWTP ICT Security Monitoring and Training – Workstream Status Report	16 Feb 2024	Bi weekly workstream status report (overall status Green)
DWTP Modern Desktop WSR – Workstream Status Report	16 Feb 2024	Bi weekly workstream status report (overall status Green except for Exchange Online which is Red)
Product Management Group (PMG) Terms of Reference	13 Nov 2023	Product Management Group (PMG) Terms of Reference
DWTP PMG Pack – Meeting 12	22 Feb 2024	Weekly Product Management Group (PMG) meeting info pack
DWTP Programme Steering Committee (PSC) Meeting 5	3 Nov 2023	Info pack to support Programme Steering Committee meeting
DWTP Programme Steering Committee (PSC) Meeting 8	12 Feb 2024	Info pack to support Programme Steering Committee meeting
DWTP Steering Committee ToR	27 Oct 2023	Steering Committee Terms of Reference
Risk Log	February 2024	Open Programme Risks
CAP Accomplishments 11032024	March 2023	List of Deliverables from CAP since July 2021 (produced by Ravi)
Review of Prioritisation & sequencing of ICT foundation projects - November	November 2023	Investment Committee Update by PDS
Review of Prioritisation & sequencing of ICT foundation projects - December	December 2023	Investment Committee Update by PDS
DWTP Programme Steering Committee (PSC) Meeting 8	21 March 2023	Info pack to support Programme Steering Committee meeting

Appendix D: GCDO recommendation priority ratings

Recommendation rating	Definition
High	Issue is having or could have a significant impact on the achievement of the next key milestone. Action should be taken immediately and the impact on the next decision gate should be formally assessed by the governance body if the recommendation is not implemented with the assigned date
Medium	Issue is having or could have a moderate impact on the achievement of the next key milestone. Action should be taken at the earliest reasonable opportunity but be completed by the assigned due date
Low	Issue is having or could have a minor impact on the achievement of the next key milestone. If addressed, it will improve the overall programme management control environment and/or efficiency and effectiveness. Implementation is recommended



www.pwc.co.nz

© 2024 PwC New Zealand. All rights reserved. "PwC" refers to PricewaterhouseCoopers New Zealand or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity. Please see www.pwc.com/structure for further details.