AUDIT COMMITTEE
MBOS (MANAGING BACK-OFFICE SUPPORT) SUB-GROUP
26 August 2022

ATTENDEES:
Councillor Gerard Fox
Councillor Matthew Beaver

OFFICERS IN ATTENDANCE
Ros Parker, Chief Operating Officer
Graham Forsdyke, MBOS Programme Manager
Mark Winton, Audit Manager
Sophie Webb, Governance and Democracy Officer

APOLOGIES
Councillor Colin Swansborough
Ian Gutsell, Chief Finance Officer


## 1.    VERBAL UPDATE from MBOS Programme Manager

1.1    Graham Forsdyke (GF) advised that the MBOS programme has made steady
       progress against the high-level plan, remaining on track regarding time and budget.

1.2    GF explained the MBOS Board has moved the programme status to amber since the
       last meeting of the MBOS Sub-Group. This is due to ongoing risks and vulnerabilities
       around resourcing and local knowledge. GF noted that the risks are being managed
       to mitigate on a day-to-day basis however as the volume of the work builds, the risks
       around workload and resource become greater.

1.3    GF noted that the most recent completed phase was System Integration Testing
       which hit quality target. The programme moved through Data Migration 2 (DM2)
       successfully and has now moved into DM3 which will coincide with User Acceptance
       Testing (UAT) due to commence at the end of September.

1.4    GF advised that the programme continues to speak to all Department Management
       to ensure engagement and noted that comms and engagement will start to increase.

1.5    GF explained that Subject Matter Expert resources remains an area of concern and
       the programme is working to ensure that their wellbeing is being looked after.

1.6    GF noted that within the Programme Lifecycle the programme is currently part way
       through Testing. The next test is UAT where it will look at real processes and real
       data. The last part of Testing is Payroll Parallel Run (PPR) which will commence
       before go-live.

1.7    GF noted that approximately 50 to 60 training sessions for individuals involved with
       UAT will be delivered to ensure a degree of confidence and understanding when
       doing the testing.

1.8    GF advised that Change Impact Assessments are ongoing and work to identify what areas of training to focus on. GF noted that the Programme is working with the Procurement Team to secure a training provider who will be able to deliver a successful and high quality training programme to a large number of people in a short space of time.

1.9    Councillor Fox asked how many Data Migration phases were to be completed. GF advised that there are currently 3 full DMs and 3 DMs for PPR however is currently looking at including a 4th DM cycle as there appears to be capacity to do that before go-live.

1.10   GF explained that there are 74 data sets to migrate, each with 1.5 to 2 million data points. DM2 was targeted at 75% data quality level and exceeded target at 78% against total records and data quality from extracted data was 88%. The target data quality level for DM3 is 99% and is currently hitting about 99.4% on average.

1.11   GF noted that test quality shows 100% executed with 17 deferred to UAT. There are some questions following tests for Oracle to provide responses. Of a total of 602 test cases, 98.9% passed and UAT will encompass approximately 4,500 tests cases.

1.12   GF noted that Programme costs are on track, and it is projected to complete close to target budget. GF advised that there has been a shift from 22/23 to 23/24 from the original approved budget at the start of the delivery phase which corresponds with the phasing of some of the cost. The programme is not expecting to go outside of budget or level of contingency.

1.13   GF advised that resourcing is an ongoing risk within the Programme and there are critical individuals within the programme who are valuable to the smooth completion of the Programme. GF recognised that there is a challenging market for resourcing, and finding replacements for certain roles would be a challenge. There has been some work bringing more internal people in as additional resource to support the programme which has had some success when covering annual leave and sickness.

1.14   GF noted that successful engagement in implementation is a risk, and the organisation needs to be ready to receive, since it will impact most services. A robust plan of communication will be required to set out expectations and ensure that the organisation is ready for day 1. It is also important to ensure that there is an adequate support model post-implementation. There is consideration for reskilling / deployment to ensure go-live transition and business-as-usual.

1.15   GF summarised that there is nothing significant to report in terms of big risks that would have a major impact on the Programme. The risk profile is steady, and the Programme is mitigating risks where possible.

## 2    DISCUSSION – MBOS Sub-Group

2.1    Councillor Fox noted that during the final quarter, it would be useful to see a breakdown for each department in terms of engagement, readiness and training and suggested this information to be presented to the Sub-Group as RAG rates for each department. This information could provide assurance to the Sub-Group of the confidence within each department as it gets closer to Go-Live.

2.2     GF advised that as the Programme will complete a cutover checklist to ensure technical hurdles and business / organisational hurdles are overcome and to show the Programme confidence for go-live. The cutover checklist will contain checks for sufficient training, sufficient engagement and that there are backup plans in place. GF explained that closer to go-live, weekly updates will be provided to the Programme Board.

2.3     Cllr Fox noted that the support team will be under huge pressure around the go-live date and will need to be robustly resourced. GF confirmed that for the first three months, there will be a support team in place working alongside the programme team and the Infosys team on standby. Following the first three months, the support team will be shadowing the technical team for the technical fixes and there will be a checkpoint to determine if the support team will be able to take lead without technical team.

2.4     Mark Winton (MW) noted that there is a dashboard for each department showing readiness for go-live which can be shared with the Sub-Group.

2.5     Councillor Beaver noted that the risk of complete system failure at the go-live stage where one system is turned off and the other turned on is not documented as a risk within the Programme. GF noted that this risk can be acknowledged within the Programme and provided reassurance that part of the cutover process is to have a 'Plan B' which incorporates many 'what if' scenarios. The current 'Plan B' if there is a catastrophic system failure at go-live is to turn SAP from read-only to an active system again. MW noted that Internal Audit will give assurance on business continuity around some of the potential catastrophic scenarios.

2.6     MW explained that in terms of Internal Audit support, the biggest piece of work is to give assurance to the Board and the Chief Finance Officer of the control environment in the new system. Since Internal Audit are aware of the control environment within SAP, there should be similarities between the two systems to be able to compare and identify possible gaps. Internal Audit have already identified a few gaps between key systems which have been reported to GF and the Board. There is a plan to address those gaps and Internal Audit will revisit in October / November to give assurance that the gaps have been resolved.

2.7     MW advised that Internal Audit have issued a position statement on the reporting arrangements from the new system, data cleansing and other key controls of the new system. Internal Audit found no major issues on reporting arrangements or data cleansing. All Internal Audit findings will be detailed in a report to the Audit Committee.

2.8     MW noted that next steps for Internal Audit are to continue to support the MBOS Programme Board, look at system security, user access, disaster recovery, business continuity and training.

2.9     MW noted that the engagement and support between GF and Internal Audit has been successful in providing independent scrutiny and assurance.