

AUDIT COMMITTEE
MBOS (MANAGING BACK-OFFICE SUPPORT) SUB GROUP
22 November 2022

ATTENDEES:

Councillor Colin Swansborough
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

Ian Gutsell, Chief Finance Officer

1. VERBAL UPDATE from MBOS Programme Manager

- 1.1 GF noted that the programme had moved through System Integration Testing (SIT) and moved into User Acceptance Testing (UAT) which has progressed significantly slower than planned.
- 1.2 GF advised that the programme continues to see good engagement across the organisation however resources for UAT remains an area of concern. It was intended that UAT would be complete by the end of November and this phase will need to be completed before starting Payroll Parallel Run (PPR) to ensure a high-quality solution prior to Go Live.
- 1.3 GF noted that data migration is continuing with a high success rate in terms of migrating from SAP and there is ongoing data cleanse work to ensure that data is corrected as much as possible for the new system.
- 1.4 GF explained that to pass UAT, all tests would need to be executed with no priority 1 or 2 defects. Currently 16.4% of tests passed and this figure should be closer to 95%. There have been more system defects than anticipated and the volume of defects to be fixed is taking time and slowing the testing phase.
- 1.5 Cllr Fox asked for examples of system defects identified. GF advised that system defects range from cosmetic issues such as menu options not ordered correctly from a user journey perspective to fundamental defects whereby processes such as workflow approvals are not working correctly. Each system defect is assessed by its severity with cosmetic defects having the lowest severity rating. It was noted that if something was not able to be tested due to a defect, this would be marked as 'blocked' as this test was not able to be progressed.
- 1.6 Cllr Fox asked if this level of defects identified in the programme is common for similar programmes. GF advised that it is common to find defects at this stage of a

programme and it was planned for approximately 20% of tests to fail, need fixing and retesting.

- 1.7 GF noted that advocates joining the programme will help support day-to-day implementation to ensure work continues and maintaining knowledge of BAU.
- 1.8 Cllr Beaver noted that one of his greatest concerns is about getting payroll correct to ensure that employees are paid the correct amount at the correct time. Cllr Beaver asked at which point does the programme decide that the project will never work to the quality required no matter how much extra cost and time assigned to it. GF confirmed that payroll is a high priority for programme and will not move to Go Live without a high quality PPR phase.
- 1.9 Ros Parker (RP) advised that the implementation date will be set with a high level of confidence. RP noted that it is possible to Go Live on some aspects of the programme and delay Go Live for other aspects rather than one Go Live date for all aspects of the programme. RP also noted that SAP will remain as a backup system and ESCC will continue to be able to use SAP until 2027.
- 1.10 Cllr Fox asked for more detail regarding partial Go-Live what aspects of the programme could Go-Live before others. RP advised that the programme is not yet considering partial Go-Live but is currently looking to bring in external testers and an alternate timeline for a complete Go-Live date.

2. VERBAL UPDATE from Audit Manager

- 2.1 Mark Winton (MR) advised that Internal Audit (IA) is intending to look at whole control environment for phase 2 of the programme and noted that IA will be working with the programme to ensure communications do not slip as the programme timeframe is extended.
- 2.2 MW noted that IA will continue to provide independent oversight of how the board is functioning, escalating risks and reporting of the programme position. IA work will support the programme rather than working within the programme.
- 2.3 Cllr Swansborough noted the programme's situation as it stands and asked for a one-page summary each month going forward to provide the sub-group with concise information regarding the programme's progress and status.
- 2.4 Cllr Fox agreed that a brief summary would be useful especially if it were to include a graph to show where the programme is and the trajectory of the programme to be able to visualise deadlines and budget.
- 2.5 **ACTION** - RP agreed to send Members of the Sub-Group a summary inclusive of data showing progress on a monthly basis. The first of these updates will be at the end of November and then every 7th of the month starting from January 7th.