

**Department of Finance  
Departmental Response  
to recommendations in the Northern  
Ireland Audit Office's Report  
Management of the NI Direct Strategic  
Partner Project – helping to  
deliver Digital Transformation**

**Presented to the Northern Ireland Assembly  
by the Department of Finance**

**10 October 2019**



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# Glossary of Abbreviations

**DfC** Department for Communities

**DoF** Department of Finance

**ESS** Enterprise Shared Services

**GDS** Government Digital Service

**NI** Northern Ireland

**NICS** Northern Ireland Civil Service

**PfG** Programme for Government

**PPE** Post Project Evaluation

**DEPARTMENT OF FINANCE DEPARTMENTAL RESPONSE TO NORTHERN IRELAND AUDIT OFFICE (NIAO) RECOMMENDATIONS IN THE NIAO'S REPORT OF 14 JUNE 2019 ON "MANAGEMENT OF THE NI DIRECT STRATEGIC PARTNER PROJECT – HELPING TO DELIVER DIGITAL TRANSFORMATION"**

## **Department of Finance**

### **Management of the NI Direct Strategic Partner Project – helping to deliver Digital Transformation**

#### *NIAO Recommendation 1*

**Lessons must be learned for any future contracts. We recommend that all departments ensure that strong financial management controls are in place to ensure that appropriate monitoring of expenditure is embedded in management processes. To ensure this, departments managing contracts must ensure that sufficient expert resources (for example, financial management staff) are retained throughout the duration of the contract.**

The Department of Finance (DoF) accepts this recommendation.

DoF agrees that strong financial management controls play a significant part in effective monitoring and management of projects, and ensuring project expenditure levels and savings are in line with both business cases and budgets. DoF's current guidance on contract management already provides detailed guidance in relation to various aspects of cost management/control and monitoring of expenditure.

Further, the principles of contract management, as reflected within current DoF guidance, should be continuously adhered to, which includes ensuring there are sufficient resources to manage a contract throughout its duration. In particular, the guidance reflects that there should be a plan for actively managing contracts, which should include ensuring the right people are in place to manage all aspects of a contract, and if possible, key contract management staff should be involved in contract development. This includes financial management staff.

DoF agrees that where possible expert resources should be retained throughout the duration of a contract. However, where this is not possible, departments should ensure appropriate succession planning and training to ensure they have the right skills and knowledge in place to enable key staff to undertake their specific role and responsibilities with respect to the management of any contracts.

Other departments have been consulted and also agree.

#### *NIAO Recommendation 2*

**Where individual contracts are used by several departments, we recommend that a central record of key financial data is maintained by the contract owner.**

DoF accepts this recommendation.

DoF agrees that where individual contracts are used by several departments, that a central record of key financial data should be maintained by the contract owner.

Account NI is currently the official central record for Northern Ireland Civil Service (NICS) contract financial data. Individual departments are required to record all expenditure, including contract expenditure on projects, on Account NI and departments have the ability to produce detailed reports on their own specific projects. However, although Account NI holds the financial information for all NICS departments, neither DoF nor any other NICS department have the authority to access detailed information owned by other NICS departments. Currently therefore, where an individual contract is used by another department, the contract owner should co-ordinate and collate management information, including key financial data from other departments as necessary to enable appropriate monitoring of the overall contract.

DoF is however exploring the use of additional reporting tools within the existing Account NI system to improve visibility of financial information and facilitate automated detailed reports at project level. DoF is currently in the process of setting up a working group consisting of key stakeholders including Enterprise Shared Services (ESS), Construction and Procurement Delivery, and Finance and Corporate Services Division to consider existing systems in order to take this forward. Although the group has not yet met, preliminary work has indicated that the systems which exist will enable the required reporting, but further work needs to be carried out to allow the systems to communicate.

Further, the principle of contract reporting will be included as part of any new systems to replace Account NI in due course.

#### *NIAO Recommendation 3*

**DoF must consider how digital transformation can be advanced across the entire public sector. In order to maximise the benefits for citizens, services must work seamlessly across existing organisational barriers.**

DoF accepts this recommendation.

The original NICS digital transformation programme of work supported the NI Programme for Government (PfG) commitment to *improve online access to government services*. The published targets of the resulting '16 by 16' Programme were to deliver 16 digitally transformed online services by 31 March 2016 and reach 3.5 million transactions through the NI Direct web site. The services that were transformed through this original programme of work were, in the main, central NICS services.

Whilst the advancement of digital transformation across the entire public sector is beyond DoF's current remit, DoF has put in place an overarching Digital Transformation Steering Group to help to deliver the new '*Making Lives Better: A Strategy for Digital Transformation of Public Services 2017-2021*'. The steering group includes senior representatives from the wider public sector who are working together to identify opportunities for transformation.

DoF will continue to collaborate and offer support to the wider public sector to encourage more joined-up citizen services through nidirect.

Other departments have been consulted and also agree.

#### *NIAO Recommendation 4*

**We acknowledge the role of individual departments in completing PPEs to assess and learn from the success or otherwise of individual projects. We recommend that, for future contracts, the contract owners ensure that they are fully sighted on all PPEs so that they can ensure that key lessons are learned. We recommend that DoF creates a central register of lessons learned and makes this easily accessible to all public bodies embarking on transformation projects.**

DoF accepts this recommendation.

All central government projects require a Post Project Evaluation (PPE) to be conducted 6 to 12 months after project closure. The PPE compares project outturns against estimates for all relevant costs and benefits, and generally reviews success in achieving objectives. DoF Supply Division, with the assistance of DoF economists, regularly monitor Departments' performance in completing PPEs.

Project lessons learned are disseminated widely across the NICS by the DoF Centre of Expertise for Programme and Project Management. To complement this activity, and in order to ensure that the results and recommendations from transformation projects PPE's feed into future decision making, DoF's ESS will create a central online register of lessons learned from major digital transformation projects. The register will provide a central resource, accessed from departmental intranet and internet sites, where departments can post their lessons learned and staff from NICS and wider public sector can view to ensure wider learning.

Other departments have been consulted and also agree.

*NIAO Recommendation 5*

**While we acknowledge that much good practice guidance on contract and project management exists across the public sector, we recommend that DoF develops a short guide to assist those progressing digital transformation projects. In our view, this would help ensure adherence to best practice.**

DoF accepts this recommendation.

The successful delivery of Digital Transformation projects (changing processes and using technology to deliver better citizen services) often requires additional skills and competencies, such as those needed for an Agile<sup>1</sup> delivery approach, or skills normally associated with contract and project management tasks. DoF has recognised the need to develop these skills and competencies across the public sector in the new *'Making Lives Better: A Strategy for Digital Transformation of Public Services 2017-2021'*. As part of the strategy delivery, DoF will develop a 'Digital Transformation Playbook' (how to guide) to assist those progressing digital transformation projects which will include the Cabinet Office and Government Digital Service (GDS) short guide called "7 Lenses of Transformation" (simple overview for all transformation projects). The Playbook will also reference existing best practice in this area and link to the Lessons Learned Register. The Playbook will be available early 2020.

In addition DoF are developing a 'pop-up' Digital Academy in conjunction with GDS in Whitehall, which will provide training in the first instance to senior leaders. It is expected that the pop-up Digital Academy will be ready for service early 2020.

*NIAO Recommendation 6*

**We recommend that DoF undertakes a review of transformation activities across the Northern Ireland public sector and uses the results to ensure that future transformation is taken forward in a strategic and co-ordinated way.**

DoF accepts this recommendation.

In December 2013 DoF carried out a Citizen Contact Landscape Review. This review, together with the Citizen Contact Strategy developed in May 2013, helped shape the first Digital Transformation Programme and identified the main transactional services in the NICS (the *PfG Online Service Projects*). The resulting list of Services formed the basis of the '16 by 16' Programme. The review also identified a range of additional projects to develop common capabilities that could be deployed on a cross-Departmental basis to improve citizen access to, and use of electronic services (now known as the Digital Toolkit).

As part of the delivery of the new *'Making Lives Better: A Strategy for Digital Transformation of Public Services 2017-2021'* DoF will carry out a second landscape review of citizen services to help inform the future transformation programme by March 2020. However, it should be noted DoF do not have the authority to mandate wider public sector progress and/or priorities.

*NIAO Recommendation 7*

**We recommend that DoF mandates that best possible re-use is made of code, components, tools, applications and data across central government to avoid duplication of effort. NI Direct should be the single portal for all digital government services. DoF should also explore opportunities for development across the local government sector.**

DoF accepts this recommendation.

DoF currently recommends that, where possible, re-use is made of code, components, tools, applications and data across central government to avoid duplication of effort. The NI Digital Transformation Programme Steering group also monitor progress and identify opportunities for reuse and data sharing and will drive this message across the wider public sector, e.g. work with the Department of Health to promote the re-usable tool-kit across Health and Social Care systems and services.

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<sup>1</sup> Agile is a method of project management used especially for software development, characterised by the division of tasks into short phases of work, with frequent reassessment of plans.

On 22 January 2015 the Executive specifically committed to extending the use of shared services in driving forward a comprehensive programme of public sector reform and restructuring. As a result, all central government public services were mandated to work with ESS, with an assumed default of joining the existing shared services. NI Direct should therefore be the single portal for all digital government services and DoF will aim to continue to reduce duplicated information held on other public sector websites. To note that the Department for Communities (DfC), in providing Social Security and Child Maintenance Services for all Northern Ireland citizens, utilises the Department for Work and Pension's Digital Office Infrastructure. Consequently, the extent and timeframe for further digital transformation of these services would be a UK-wide matter. DoF will continue to explore opportunities for development across the local government sector.

#### *NIAO Recommendation 8*

**Given that citizens want a “tell me once approach” to services and verification, we recommend that DoF progresses work on the Mydirect portal at pace. This involves considering the concept of citizen identification and verification, exploring the option of a single identifier and exploiting use of inter-connected registers so that users do not have to re-submit data. In addition, DoF should continue to pursue opportunities for new technologies (such as Artificial Intelligence and Robotic Process Automation) for future digital transformation.**

DoF accepts this recommendation.

As part of the ongoing digital transformation programme of work, DoF is developing the ‘Mydirect<sup>2</sup>’ portal that has been designed to include a facility for people to report changes to their personal details (Marital Status, Address, etc.) online. With the individuals’ approval, this information can then be automatically disseminated to the relevant government department(s) and agencies. This secure online facility will therefore reduce the need for people to inform multiple departments of relevant changes, for example, information updated on Mydirect for a change of address could automatically be provided to DoF to update their Rates Account, Department of Education to update parent details and DfC to update claimant details. Mydirect will use existing identification and verification systems such as NI Identity Assurance and Gov.UK’s Verify. The first phase of Mydirect will be launched in the second quarter of 2020.

DoF will establish a trusted relationship between the MyDirect portal and the MyCare NI health portal currently being rolled-out to patients in Northern Ireland.

Regarding new technologies, DoF has already carried out several Proof of Concept trials involving Robotic Process Automation and Artificial Intelligence and will continue to explore opportunities for deploying new technologies in the transformation of services.

#### *NIAO Recommendation 9*

**DoF has benefited from working with the Government Digital Service in Whitehall and Estonia in relation to digital transformation. We therefore recommend that it considers creating a new partnership with a progressive government leading the way on digital transformation as an opportunity to learn and develop best practice and strategic analysis.**

DoF accepts this recommendation.

DoF has recently signed a Memorandum of Understanding with GDS in Whitehall to further strengthen relationships and is currently reviewing other countries digital transformation progress with the aim of expanding its network of partners and learning from exemplar programmes. Information and insights gained through these partnerships is, and will continue to be, disseminated to the wider public sector through the Digital Transformation Steering Group and other forums.

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<sup>2</sup> Mydirect is a personal secure login area on [www.nidirect.gov.uk](http://www.nidirect.gov.uk).



*NIAO Recommendation 10*

**We recommend that, in line with best practice, departments ensure that all business cases provide clear and robust baselines in terms of staff and resource costs along with realisation savings targets. This involves disclosing the unit cost of the existing provision so that actual savings realised can be calculated accurately.**

DoF accepts this recommendation.

In line with current guidance, business cases supporting transformation projects or programmes, as with any project or programme, should clearly identify all costs, including staff resource costs and/or unit costs associated with the delivery of the current service (the 'Status Quo' option). The costs of retaining these resources and any saving due to the future release of these resources as part of the transformation activity should form part of the business case. In addition, the appraisal report should make it clear whether the projected cost savings are intended to result in financial savings or in re-deployment of resources.

Any potential benefits from the implementation of the expenditure proposal should be documented within a Benefits Realisation Plan. Benefits Realisation Plans should be included in business cases. They should identify the benefits by category, the activities that will be undertaken to pursue and realise them, and who is responsible for each benefit realisation activity.

As part of the Digital Transformation Playbook referred to in the response to recommendation 5, DoF will further emphasise the need to determine the unit cost of existing services provision, and the use of this cost in determining the savings that will be realised through digital transformation. Business cases will be required to clearly set out the full cost of current service delivery.

Other departments have been consulted and also agree.