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Auditor General for Wales
Audit Wales
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4 June 2021

Management response to Audit Wales report: In-sourcing the Welsh Government's ICT service

Dear Adrian

I am writing in response to the Audit Wales report on the in-sourcing of Welsh Government's ICT service. Can I first of all apologise for the delay in this response.

The report provides a fair and accurate evaluation of the transition programme and the delivery of the intended benefits and I am pleased you have recognised the successful delivery of this programme by my colleagues and predecessors.

I am also very grateful for the constructive manner your team engaged with us over the period of the audit.

Our management response to the recommendations are included in Appendix 1.

Yours sincerely,



Glyn Jones
Prif Swyddog Digidol, Llywodraeth Cymru
Chief Digital Officer, Welsh Government

Appendix 1: Response to recommendations

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| <p>R1 We recommend that, in future business cases and change programmes, the Welsh Government clearly profiles the delivery of its intended financial and non-financial benefits by setting clear target levels and milestone dates. This would make it easier to assess whether programmes are on track to deliver as intended.</p> | <p>Accept. We agree this should be best practice for major business change programme, to ensure potential financial and non-financial benefits are clearly articulated and monitored. These benefits should also be defined and documented in a manner which allows them to be measured over the long term as those involved in the original project move roles.</p> <p>We recognise that there is existing guidance readily available to appraise and develop projects and programmes, namely, HMT's Green Book and the Better Business Cases (BBC) guidance. We also recognise that there is scope for a more robust application of the guidance, including with regards assurance and the scrutiny and approvals process. As advocated in the BBC guidance this will include the proportionate use of Gateway Assurance Reviews and the application of programme and project management methodologies for delivery.</p> |
| <p>R2 We recommend that the Welsh Government schedules a formal review of the delivery of the benefits from the in-sourcing, at three years after the transition, to ensure medium-term impacts are recorded and reported on.</p> | <p>Accept. The Chief Digital Officer's team are maintaining the benefits tracker work that has been in place since in-sourcing and will report to Exco with an updated review of financial and non-financial benefits by the end of 2021-22.</p> |
| <p>R3 We recommend that the Welsh Government develops a more robust mechanism to measure the true cost of projects to inform project planning, monitoring and evaluation. This should include a proportionate approach to measuring the cost of significant internal resources spent on projects, including the time of its own staff</p> | <p>We agree with the need to understand the whole life cost of projects in delivering major projects. We also agree to achieve this we need a good understanding of internal resource time, including the time of our own staff, as well as external revenue and capital costs. However we would need to consider how this could be achieved in a proportionate manner given the range of people across the organisation generally involved in corporate projects, particular as we currently have no mechanism for capturing this information. It will need to be assessed on a project by project basis in a manner where the level of detail considered is proportionate to the expected costs and benefits.</p> <p>As described earlier under recommendation 1 we also recognise there is scope for a more robust application of the BBC guidance, including the proportionate use of Gateway Assurance Reviews and the application of programme and project management methodologies for delivery.</p> |
| <p>R4 We recommend that the Welsh Government updates the key performance indicators and operational targets for ICT services, to ensure they reflect the new model of inhouse service provision, including increased home and flexible working and reduced travel.</p> | <p>Accept. The Chief Digital Officer has asked a senior statistician to lead a Task and Finish group involving colleagues from ICT services, corporate research and the future digital programme to develop a new suite of metrics during this financial year reflecting the new model of in-house service provision as well as ongoing digital transformation work.</p> |

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| <p>R5 We recommend that a summary dashboard covering ICT service performance is considered by the Executive Committee as a standing agenda item for challenge and scrutiny.</p> | <p>Accept. However we propose the standing item is instead considered at the Finance and Corporate Services sub-committee of the Executive Committee (Exco) for discussion, challenge and scrutiny on a routine basis. At the same time we will ensure the data are made available to Exco members, and the Chief Digital Officer will present this to Exco on an annual basis.</p> |
| <p>R6 We recommend that the Welsh Government introduces benchmarking of its ICT service performance and structures to allow comparison with other organisations.</p> | <p>Accept. However benchmarking with other organisations is notoriously difficult due to the different size, scope and services they provide. We will consider the most appropriate mechanism for benchmarking, and what will be possible, as part of the work of the Task and Finish group. Nevertheless our priority for this financial year will be to develop a series of metrics that are workable within a Welsh Government context. As part of the wider Civil Service people survey, we are already able to compare two headline measures* with other Civil service departments.</p> <p>*staff satisfaction with “having the tools they need to do their jobs”; and whether “technology used by my organisation enables me to connect and collaborate with colleagues”</p> |
| <p>R7 We recommend that the Welsh Government introduces a formal, annual review of user satisfaction of ICT services, to assess whether improvements are being sustained in the long term.</p> | <p>We accept the need to consider user satisfaction of ICT services on a regular basis. We already monitor annually through the Civil Service people survey which asks the headline questions described above.</p> <p>We will consider with our corporate research team how additional work could be undertaken to provide more in-depth analysis of user satisfaction, particularly given the expectation of continued blended working approaches. This will need to be balanced against our range of other corporate research priorities and may not be possible to undertake on an annual basis.</p> <p>Through our future digital programme we will also be embracing the principles of user-centred design which will provide more meaningful and in-depth user feedback during the design of digital services.</p> |
| <p>R8 We recommend that the Welsh Government revisits the staffing levels set out in its Target Operating Model for ICT and develops an action plan for achieving the required staffing. Without taking such steps, there is a risk that the full benefits of the transition will not be delivered.</p> | <p>Accept. Exco has accepted the requirement to ensure IT services are resourced effectively and additional resource is identified to support the future digital programme and maximising the wider benefits of the in-sourcing model. Plans are being developed to recruit to the required operating model on an iterative basis.</p> <p>As time has moved on since the original Target Operating Model, the exact detail of the skills and structure required within the overall staffing levels will be based on the impact of remote working on our IT services model and our future workforce requirements. For example, we have already over the last year identified the need to prioritise Cyber Security resource within our</p> |

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| | <p>operating model and Exco has agreed the recruitment of 3 additional posts in this area.</p> <p>A plan is also being developed to take forward work on the DDAT profession more widely, and a DDAT workforce plan will be developed to ensure there is a clear talent pipeline for DDAT resource into the organisation as well as a clear progression framework for existing staff.</p> |
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