Memorandum

To: SLT Investment Committee **File reference: 00778**

From: Suzanne Boslem, General Manager Communications, Corporate

Date: 13 July 2016

Subject: Project 000778 Criminal Records Automation of Manual Processes– Approval to proceed to Delivery Stage **Attachments: One**

Security Classification: COMMERCIAL IN CONFIDENCE

Recommendations

1. It is recommended that you:

    1. **Approve** this project to continue into the Delivery Stage.

    2. **Approve** FY16/17 funding of:

        a. $1.004 Million Capex

        b. $121,000 Opex

The investment case was submitted to the May Investment Committee meeting, however decisions were deferred to allow for broader budget discussions.

Interim approval was provided by the Deputy Chief Executive and the Chief Financial Officer in June for the project to proceed to Delivery and to engage the supplier.

The timelines in the original Investment Case have been updated as a result of that three-week delay as follows:

- The business change transition originally scheduled for pre-Christmas has been rescheduled for late in January to avoid peak seasonal processing volumes.
- The scheduled project completion date is now February 2017 (previously January 2017),

In addition, after further project scoping and engagement with suppliers/vendors we have:

- Updated the milestones and deliverables to reflect a new approach of two tranches to support earlier benefit realisation
- Updated the delivery risks.

Decision Information

2. This investment case supports the delivery of a solution to automate the capture of customer request data and the sending of criminal conviction history check reports. The use of an external Service Provider is the recommended service delivery option.

What is this project trying to achieve?

3. The scope of this project is to automate the current manual processes associated with the requesting and issuing of Criminal Conviction History Reports (CCH). This is an interim solution as part of the overall remediation of the Clean Slate System (CSS) to address issues with the criminal records service.

4. Remediation of the CSS is required to [redacted] Section 9(2)(g)(i) reduce the risk of privacy breaches and meet the ongoing increase in demand and service delivery expectations. Overall, remediation of the CSS is intended to address the following issues:

   - [redacted] Section 9(2)(g)(i)
   - The criminal records service was not designed to deal with the current volume of requests from third parties which increases the likelihood of service delivery failure (including privacy breaches). The Criminal Records Unit (CRU) processes requests from three customer channels with turnaround times as follow:
     - Individuals – 20 working days (Privacy Act requirement), 15% of processing volume
     - Third party priority service – five working days (contractual SLA), 25% of processing volume
     - Third party standard service – 20 working days (best endeavours basis), 60% of processing volume

     Service delivery is being met for individuals and the third party priority service. The current backlog for third party standard service is 60 working days. A reliance on manual processes means processing capacity is not readily scalable without increasing head count and operating cost. However, the request volumes have increased by 96% in the last four years as criminal history checks have become standard requirements across a number of job types and service industries e.g. school related roles.
   - [redacted] Section 9(2)(f)(iv)

Remediation of the CSS will be undertaken in **three phases** to fully realise the above goals:

1. [redacted] Section 9(2)(g)(i)
2. Automation of CSS manual processes <u>(this project)</u>
3. Delivery of online capability to allow online requests and responses on the Ministry's website. ICT are indicating this will not be available until 2018/19 – as it is dependent upon the requisite components of the ISSP being introduced (future project).

Recommended solution for automation

4. The recommended solution is to automate the capture of request data using a web form. This service would be outsourced to an external supplier, with the Ministry being provided with an electronic file for upload into CSS. It will reduce the current risk profile by providing greater data capture accuracy, operational performance improvements, and stronger QA processes along with improved request tracking and reporting. This solution offers improvements in customer service through responsive online communication and better information and business processes supported by outsourcing agreements that guarantee our customer Service Level Agreements. This solution would also reduce the cost to service customers.

   This solution can be leveraged for future CSS development, including the benefits delivered by JAS (Justice Access Service).

What will it cost?

Financial costs

5. The project has the following funds allocated and approved for draw down:

CAPEX

Date	Amount	Approval Channel/Comments
Nov 2015	$87,000	Nov 2015 Investment Committee
FY 2015/16	**$87,000**	
May 2016	$1,004,620	May 2016 Investment Committee
FY 2016/17	**$1,004,620**	**In-flight provision for FY 2016/17**
TOTAL CAPEX	**$1,091,620**	**Across both financial years**

OPEX

Date	Amount	Approval Channel/Comments
Nov 2015	$170,000	Nov Investment Committee
FY 2015/16	**$170,000**	
May 2016	$121,000	May 2016 Investment Committee (approval 23/06/16)
FY 2016/17	**$121,000**	**In-flight provision for FY 2016/17**
TOTAL OPEX	**$291,000**	**Across both financial years**

6. This memorandum seeks approval for funding to carry out the Delivery stage:

   a. $121,000 Opex
   b. $1,004,000 Capex

7. In out-years, ongoing operating costs for the CRU will be covered by Corporate Group, and are estimated to be $908,000 OPEX pa (this compares to FY15/16 CRU forecast expenditure of $1.3m)

What are the benefits?

8. The benefits are:
   - Improved customer service
   - Increased trust and confidence in criminal conviction history checks
   - Improved cost efficiency
9. The ongoing operating costs following service transition will reduce by an estimated $390,000 over time compared to the existing solution. Cost savings will come from reduced staff in the CRU and reduced postage and print costs.

How will we know it has succeeded?

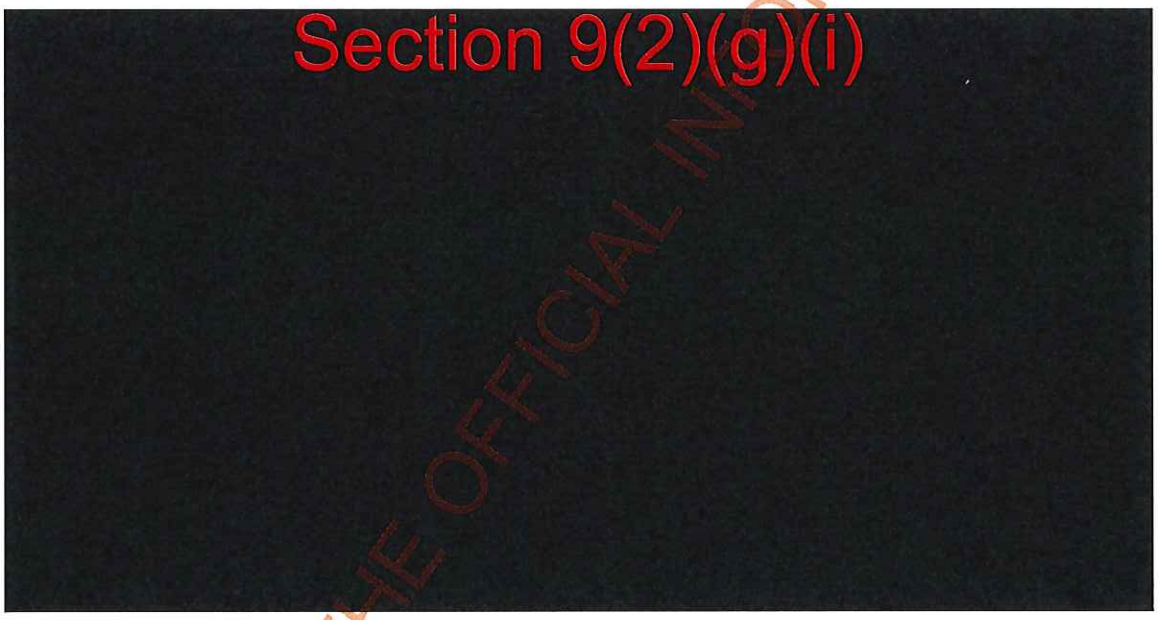
10. Key success measures
    - Scalable processing capacity able to meet future demand
    - Service levels consistently met, providing a platform for increased third party cost recovery
    - Reduced operating costs post transition from $1.3m to an estimated $908,000.
    - Customers embrace online forms and email delivery of reports – significantly reducing manual paper based form handling
    - Reduced number of privacy breaches arising from human error
    - Reduction in business and reputational risk for the Ministry from the criminal records service
    - Reduced number of enquiries and complaints to the Ministry and the Minister relating to service performance

Key milestones and timelines

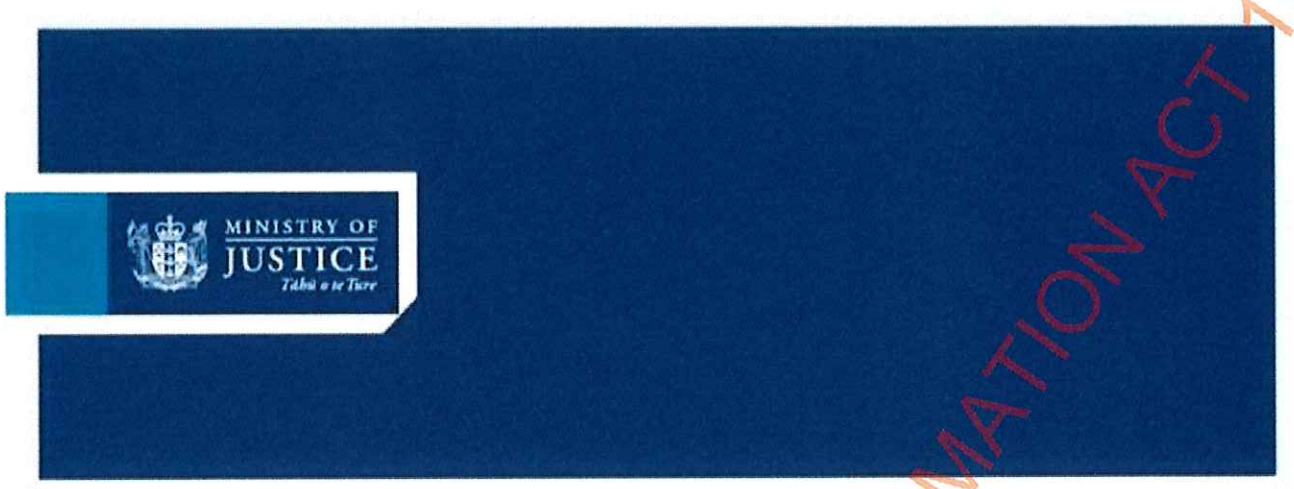
ID#	Deliverable	Date
01	Business Change Design	August 2016
02	Web form design / development	September 2016
03	WP2 Request Capture File Transfer	September 2016
04	WP5 Issue CCH Report	November 2016
05	WP7 Tracking & Reporting	November 2016
06	Testing complete (Tranche 1)	October 2016
07	Business training (Tranche 1)	November 2016
08	Tranche 1 (Paper forms) Go-live complete	November 2017

09	Testing complete (Tranche 2)	December 2016
10	Business training (Tranche 2)	January 2016
11	Tranche 2 (Web forms / full solution) Go-live	February 2017
12	Project Close	February 2017

Risks and Issues



Attachments:
Investment case on request.



Criminal Records Automation of Manual Processes

Investment Case

File ref: [Investment Case CSS_final]
Document owner: [Criminal Records Unit, Corporate]
Last updated: [May 2016]

Table of Contents

1. Executive Summary

This investment case uses a service provider to automate two parts of the Criminal Conviction History (CCH), the capture of customer information (front-end) and sending the CCH report to the customer (back-end) processes.

In developing the Case for Change as part of this Investment case, three strategic investment objectives were identified; these are (in order of priority):

1. To reduce risk and increase confidence in CCH reports through the automation of manual processes and increased quality assurance (QA)
2. Improve customer experience through meeting service delivery expectations
3. Improve operational efficiency ensuring current and future demand is met, with the new service being cost neutral in comparison to the current service.

These objectives are defined in a number of measurable benefits within this document. These are delivered through:

- Using a web form (hosted by a supplier) to capture requests
- Continuing to provide a paper form for applicants who are unable to use the online form
- The supplier captures and validates the information before providing it to the Ministry for processing, with all valid requests provided to the Ministry within 24 hours of receipt.
- Some technical refinement of the identity validation process to improve processing flow and reduce the potential for manual errors
- A new ICT middleware service will be implemented to retrieve the information from CMS to allow for smooth processing of the increased request volumes
- The supplier will distribute the reports that have been QA checked to customers (with an increasing use of email as the preferred channel).

The project will be delivered through two work streams established under a single project management structure and steering committee. The project deliverables are grouped under a number of work packages to enable an iterative approach. The project is expected to be delivered within 8-10 months of approval by the Investment Committee.

2. Strategic Alignment

This project is the second project in a three phase programme to address significant risks and issues in the Criminal Conviction History (CCH) process and [redacted]

The first project is the ICT Remediation Project, initiated and managed by ICT, and the third project will be the complete redevelopment of the Clean Slate capability alongside the future renewal of the CMS capability.

Background

The Criminal Records Unit (CRU) delivers Criminal Conviction History (CCH) checks for individuals and third parties.

The number of manually processed CCH requests has steadily increased from 282,000 in 2011/12 to 450,000 in 2014/15 as CCH checks have become a standard pre-employment requirement

The current operational processes are heavily manual, inefficient and expose the Ministry to risks of [redacted] and, potentially, privacy breaches. The Deloitte review of Criminal Records in November 2014 identified a number of high-risk issues with the process [redacted] including:

1. [redacted]
2. [redacted]
3. Manual criminal conviction history processing is susceptible to human error

The SLT Planning & Resources Committee meeting of 25 March 2015 agreed to a number of actions which have been incorporated into a CSS Remediation Project to [redacted] reduce the risk of privacy breaches from manual processes and meeting service delivery expectations.

This CSS Remediation Project will be undertaken in **three steps** as follows:

1. [redacted]
2. Project to automate CSS manual processes (this project)
3. Project to allow online requests and responses once the requisite components of the ISSP have been introduced in the future (future project). ICT are indicating this will not be until 2018/19.

The interim solution delivered by this project (the interim solution) will be expected to be in place for 3-5 years.

Investment Logic Map

An Investment Logic Mapping (ILM) exercise was undertaken to fully understand the problems and develop the investment objectives, to support the case for change.

The ILM identified four problems in order of impact:

1. [redacted]

2. The service was not designed to deal with the current volume of requests which increases the likelihood of service delivery failure.
3. Section 9(2)(f)(iv)
4. Section 9(2)(f)(iv)

It determined that addressing these problems would provide the benefits of:

- Increased trust and confidence in criminal conviction history checks
- Improved customer experience from improved service delivery
- Improved cost efficiency of the CRU

Progress to date

In November 2015 the Investment Committee approved $170,000 to complete the Start-up and Initiate stages of this project.

The following key activities have been completed:

- Compiled a set of requirements to meet what the business needs from the end-to-end solution
- Completed a market assessment to determine if there are suitable vendors who can support the proposed solution
- Completed a full evaluation of the options against the requirements, risks and benefits to provide a recommended solution
- Provided a set of requirements to The Information Management Group (TIMG) as preferred supplier to enable them to provide a Best and Final offer for inclusion in this investment case.

The Case for Change

The investment objectives below have been stated in a number of previous papers to SLT Committees.

Investment Objective One (Risk Reduction)	Reduced risk and increased confidence in CCH checks through automation of manual processes and increased quality assurance within 12 months of implementation.
Existing Arrangements/ Current State	• Section 9(2)(g)(i) • The CCH service was not designed to deal with the current volume of requests which increases the likelihood of service delivery failure. • A high reliance on manual processes increases the risk of human error and the cost of providing the service.

Future State	The future state is an efficient and (where possible) automated end-to-end process that reduces reliance on manual processes and increases ability for quality assurance. This will result in: • Increased trust and confidence in CCH checks • Reduced number of notified privacy breaches resulting from human error • Processing capability in place to meet current and future demands • Quality assurance in place to ensure errors are identified early and addressed
Investment Objective Two (Customer Service)	Improved customer experience through meeting customer service delivery expectation within 12 months of implementation.
Existing Arrangements/ Current State	The high volumes, a reliance on manual processes and insufficient processing capacity has resulted in poor service delivery for the customer. • The current backlog for standard third party customers is currently around 60 working days. Published service level is 20 working days • Staff cannot easily respond to customer queries ("where is my request?") as paper applications cannot be readily tracked. • Customers expect to be able to send their information and receive a response electronically.
Business Need / Future State	• Service standards are consistently met • Staff can look up information on screen in response to a customer's query • Customers are able to enter information in an electronic format allowing for easy data capture. • Customers are able to receive their CCH report electronically. Increase in customer satisfaction will support the Ministry's strategic goal 'Provide great service to the public every day' and BPS Result 9: Better for Business - delivering Better Public Services to business customers.
Investment Objective Three (Organisational Improvement)	Improved operational efficiency ensuring current and future demand is met and recovery of third party costs enabled within 12 months of implementation
Existing Arrangements/ Current State	The current service is not scalable and there are high costs associated with manual processes reflected by: • 13 FTE are devoted to manual processing tasks and there is limited capacity to increase staff numbers to meet demand

	growth • Current backlog for processing standard third party requests is currently around 60 working days • Current CRU print and postage costs are $300,000. Cost of postage set to increase • There is little opportunity to utilise available technologies (e.g. email) • Business reporting is manual and it is difficult to fully identify and recover all third party costs
Business Need / Future State	The future state is an efficient and (where possible) automated end-to-end process that: • Is scalable providing processing capacity to meet current and future demands • Fully utilises available technologies • Focuses staff resources on customer- oriented and value-add tasks. • Provides automated reporting that allows management better oversight of volumes, issues and costs. • Sustainable service levels will improve capability to recover third party costs

Scope

The scope of this project is to automate the current manual processes associated with the requesting and issuing of CCH Reports. This is an interim solution as part of the overall business programme to address issues within CRU/CSS.

In Scope	Out of Scope
• Automate the data capture of CCH requests from customers • Ensure there is a smooth end-to-end flow through the process and the solution is scalable to meet current and future demand • [redacted] Section 9(2)(g)(i) • Establish ability to distribute CCH reports electronically • Enable tracking of requests through the end-to-end process • Improve management reporting capability (both standard and ad hoc).	• Complete redevelopment of the CSS • Electronic identity authentication • Customer self service • Automated invoicing • [redacted] Section 9(2)(g)(i) • Work to improve CSS outside of what is required to support the solution options

Potential Risks, Constraints and Dependencies

The table below lists strategic risks, known constraints and dependences related to achieving these objectives

Potential Risks	The following strategic risks have been identified: • Section 9(2)(g)(i) • Section 9(2)(g)(i) • Section 9(2)(g)(i) • Section 9(2)(g)(i)
Constraints	The known constraints are: • Current level of service should be maintained as a minimum during implementation. Business as usual (including a large backlog of customer requests) must be managed. • The Ministry currently has no deployed capability for electronic authentication of identity. • The solution is constrained by what the current Criminal Records (Clean Slate) legislation and Privacy Act permits the Ministry to do.
Dependencies	Dependencies include: • Section 9(2)(g)(i)

3. Project/Programme Benefits

Expected Benefits

The benefit	Achieved by	Measured By	Measurement Date/s	Benefit Owner
Increased trust and confidence in criminal conviction history checks	Manual processes automated to reduce data capture errors	Reduced number of complaints and privacy breaches	1 year post implementation	Suzanne Boslem
	Quality assurance in place to ensure early identification of errors	Number of QA completed and reduction is errors found	3/6/9 months post implementation	Suzanne Boslem
Improved customer service	Customers are able to request/receive CCH through their channel of choice	Customer satisfaction surveys	1 year post implementation	Suzanne Boslem
	Service standards are consistently met	Number of requests exceeding SLA	3/6/9 months post implementation	
	Customer queries are responded to in timely manner, with information on the request readily available	Customer satisfaction surveys	1 year post implementation	
Improved cost efficiency	Lower cost of delivery (whole of life)	Reduced print and post costs Reduced staff costs	1 year post implementation	Suzanne Boslem
	Higher percentage of staff resource spent on value-add and customer service tasks	Percentage of staff time spent on manual tasks	6/12 months post implementation	Suzanne Boslem
	Higher percentage of CCH requests received/distributed electronically	Increased number of customers electing electronic channels	6/12 months post implementation	Suzanne Boslem

Assumptions

The following assumptions have been made in preparing

- The new automated service will be cost-neutral once transition is complete
- There are suppliers in the marketplace capable may be outsourced
- The Ministry's ICT have the capacity to deliver th
- There will be no security or privacy concerns t outsourced solution.

Organisational Impact

Criminal Records Unit

This project has a major impact on the Criminal Records

- Two key manual processes will be outsourced
- There will be reduced reliance on casual staff to
- Permanent staff will be focused on quality assu data entry
- There will be new activities in relation to managin and quality assurance.

To manage this, the project includes a significant busi through consultation, training in the new job requirement

Other Ministry Business Units

- **Risk & Assurance**
  - [redacted] Section 9(2)(g)(i)
  - [redacted] Section 9(2)(g)(i)
- **Privacy & Security** – A Privacy Risk Assessm undertaken based on the proposed solution. IC security requirements for the solution specificatio
- **Communications** – A communications plan will be both internal and external affected parties. Cust change activities. A Communications Advisor will s
- **People & Performance** – a business change advis with business change activities. People & perfor Steering Committee
- **Finance** – A Finance Performance Specialist has be on financial and cost recovery activities.

- **Procurement** – the procurement team have been engaged and will be involved as part of the supplier engagement process.
- **ICT** – an ICT architect has been engaged to assist with developing the solution options. An ICT stream lead will be appointed to co-ordinate the ICT delivery.
- **Legal Counsel** – will be engaged during the negotiation of vendor contracts and to provide other legal advice required by the project.

No other areas of the Ministry are determined to be affected. A stakeholder assessment will be undertaken to confirm external stakeholder parties.

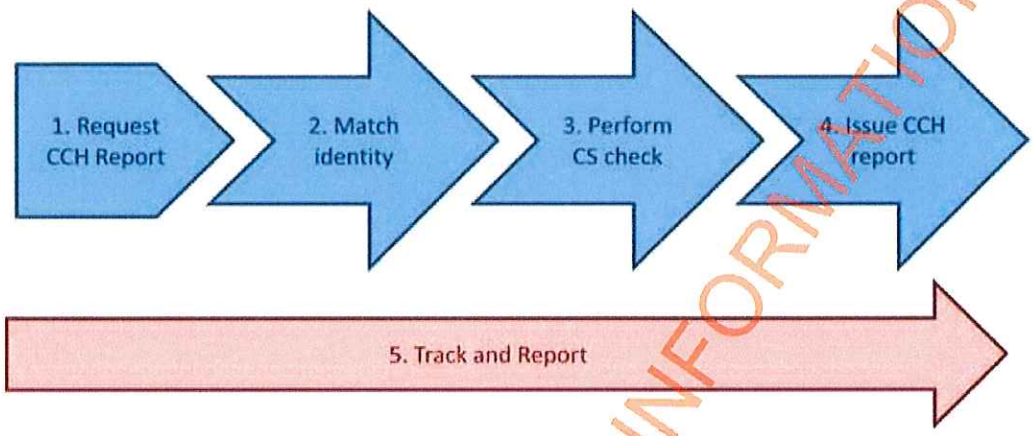
Critical Success Factors

The project must deliver the following to be deemed successful:

Strategic Objective	Critical success factors
Increased trust and confidence in criminal conviction history checks	• Transition of request capture activities to the supplier • Increased quality assurance over manually captured information • Increased quality assurance over CCH reports prior to distribution
Improved customer service	• Customer service levels are consistently met (only 5% requests fall outside SLA) • All valid requests are entered for processing within 24 hours of being accepted as complete • Reduction in customer enquiries relating to service level delays
Improved cost efficiency	• Customers choosing the electronic channel o customers have been engaged and increasingly adopt the web form o there are no barriers to customers choosing to receive their report by email • Service is cost-neutral with: o 50% reduction in print and postage costs within 6 months of implementation o Reduction in staff numbers with 3 months of implementation

4. Options

Six options were identified to support the end-to-end process shown in the diagram below. Each of these options is comprised of a number of components which differ across the five key stages of the process.



The options are as follows:

Option 1 Makes no change to the current process/operating environment.

Option 2 Hire more staff to address increased demand and allow for additional QA activities.

Option 3 Capture request data submitted via paper or email using scanning technology. Requests that cannot be scanned will be manually captured. This service is outsourced to a supplier and the Ministry is provided with an electronic file for upload into CSS. It reduces current risk profile by providing greater data capture accuracy, operational performance improvements, and stronger QA processes along with improved request tracking and reporting, and business processes supported by outsourcing agreements that guarantee our customer Service Level Agreements.

Option 4 Same as option 3, with the addition of the distribution of the CCH reports outsourced to the supplier.

Option 5 Capture request data using a web form. This service is outsourced to a supplier and the Ministry is provided with an electronic file for upload into CSS. It reduces the current risk profile by providing greater data capture accuracy, operational performance improvements, and stronger QA processes along with improved request tracking and reporting. Offers improvements in customer service through responsive online communication, better information and business processes supported by outsourcing agreements that guarantee our customer Service Level Agreements.

This solution can be leveraged for future CSS development, including the benefits delivered by JAS.

Option 6 Same as option 5, with the addition of the distribution of the CCH reports outsourced to the supplier.

Options analysis

The solution options were assessed against the key high level business and stakeholder requirements, key non-functional requirements, strategic alignment and project scope fit. A risk assessment was then undertaken for each of the options to identify any significant risks. This considered strategic and reputational risk as well as delivery and operational risk. Any significant risk associated with a specific option is noted below:

Criteria	Option 1: Do Nothing	Option 2:Hire more staff	Option 3: ICR/OCR + new web service	Option 4: ICR/OCR + new web service + outsource reports	Option 5: Web Portal + new web service	Option 6: Web Portal + new web service+ outsource reports
Benefit impact % met	0%	20%	64%	67%	73%	78%
Meets business requirements. % met	33%	37%	84%	84%	86%	86%
Meets quality requirements. % met	61%	61%	80%	84%	87%	91%
Risk	Does not resolve current strategic risk including risk of service failure Overall risk rating remains high	SLA risk is reduced Service failure risk remains Overall risk rating remains high	SLA risk is reduced Risk of service failure is reduced Some delivery risk is introduced but considered manageable	SLA risk is reduced Risk of service failure is reduced Some delivery risk is introduced but considered manageable	SLA risk is reduced Risk of service failure is reduced Some delivery risk is introduced but considered manageable	SLA risk is reduced Risk of service failure is reduced Some delivery risk is introduced but considered manageable
Cost to deliver[1]	n/a	$50,000[2]	$980,000	$1.01 M	$1M	$1.1M
Ongoing Operational	$1.1M	$1.3M	$1.1M	$1.02M	$980K	$908K

[1] **Cost to deliver** is an initial cost estimate undertaken at the time the options were defined to allow a comparison between the options. More detailed estimating has been completed for the recommended solution.

[2] Staffing cost to address backlog

[3] **Ongoing Operational Costs** include CRU staffing costs, print and mail costs, and for options 3-6 include supplier processing charges.

Criteria	Option 1: Do Nothing	Option 2:Hire more staff	Option 3: ICR/OCR + new web service	Option 4: ICR/OCR + new web service + outsource reports	Option 5: Web Portal + new web service	Option 6: Web Portal + new web service+ outsource reports
Costs [3]						
Time to deliver	n/a	2 months (hiring & training staff)	8-9 months	8-10 months	8-9 months	8-10 months
Overall Ranking	6	5	4	3	2	1 (preferred option)

Recommended option

The recommended option is Option 6 - provision of a web portal, with new web service and distribution of the CCH Reports outsourced to a service provider. This option is recommended because:

- It provides the best overall business fit
- It best addresses the current strategic risks with the CCH service
- It provides the best return on investment

More detail in relation to this option is provided in the Procurement Section and the supplier's finalised costs are provided as part of the Finance Section.

5. Procurement

As part of Concept, an investigation of the market capability to provide data capture and mail house services was undertaken. Initial costs were provided from two potential suppliers confirming:

- There are several suppliers available in the marketplace capable of providing the solution.
- The cost of outsourcing this activity is affordable and cost effective.

Supplier cost comparison

A cost comparison was undertaken based on initial information provided by two suppliers The Information Management Group (TIMG) and Section 9(2)(b)(ii) These included both costs for Intelligent Character Recognition (ICR)/Optical Character Recognition (OCR) solution and a Hosted Web form. These costs shown below are indicative only and are not based on a formal set of business requirements.

Cost Item	Assumptions	Section 9(2)(b)(ii)	TIMG	
Set Up costs – Web form	Includes 25% contingency, costs may increase once full requirements are provided.	Section 9(2)(b)(ii)		
Set Up costs – ICR/OCR	Excludes the cost to set up web forms			
Annual Charges – web form **Year 1**	Based on 400,000 requests -220,000 via web form -180,000 handwritten			Replacement of current solution costs
Annual Charges – ICR/OCR scanning **Year 1**	Based on 400,000 requests -200,000 typed -200,000 handwritten			
Annual Charges Print/email reports	Based on 540,000 reports issued -270,000 by email -270,000 by print & post			

Notes

- Section 9(2)(b)(ii)
- Section 9(2)(b)(ii)

Procurement Strategy

The strategy observes the Government Rules of Sourcing. The Ministry currently has a relationship with TIMG through a syndicated contract currently managed by NZ Police. Discussion with Police indicates that an addendum could be added to the contract to cover this service. The approach includes the following steps:

- The decision was made to approach TIMG as their solution met the requirements and they can be engaged through the existing Ministry relationship.
    - TIMG were provided with a documented set of business requirements
    - As a result TIMG provided a Best and Final offer (BAFO) based on these requirements and discussion with the project team

- Once approval has been given by the Investment Committee to the recommended solution, the supplier will be engaged to work with the Ministry project team for delivery.

TIMG Proposed Solution

The solution offered by TIMG provides the following components:

- Ability for customers to submit requests using a web form. TIMG will build and host the web form. The project will work with TIMG to specify and test the web form, engaging key customers during this process.
- Ability for customers to continue to submit handwritten requests which will be scanned and captured by TIMG.
- The validated requests will be provided to the Ministry in one or more daily batches for upload to CSS.
- TIMG will provide CRU staff with access to digital versions of the requests and any associated correspondence using the PaperLite Document repository and workflow solution. This solution will track the request from the supplier's side and enable CRU staff to respond to customer requires.
- Once the request has been processed through CSS, and the resulting report QA by CRU staff, the report will be provided to TIMG for distribution to the customer, in one or more daily batches
- Once TIMG have distributed the report, the request status in PaperLite will updated to provide CRU staff will visibility that the request has been completed.

The supplier costs in relation to the set up of this service have been included within the project delivery costs shown in the financial section of this Investment case. The project team will work closely with TIMG through the development of the solution and the transition of the business service from CRU to the supplier to ensure there is no impact to our customers.

The on-going costs as shown in the finance section will differ slightly from the initial costs shown above, as these final costs reflect a fuller understanding of the Ministry's requirements.

6. Finance

The table below shows a comparison across the Net Present Value (NPV) for the three (short-list) options:

- Existing solution includes additional staff to manage back log and increased demand
- Scanning and outsourced reports – option 4 in the options analysis section
- Web Portal with outsourced reports – option 6 in the Options analysis section.

Options Summary	Capex (NPV) 000$	Opex (NPV) 000$	TOTAL (NPV) 000$
Existing solution (combines options 1 & 2)	-	6,039	6,039
Scanning and outsourced reports	962	5,643	6,605
Web portal and outsourced reports	962	5,125	6,087

These NPVs show that implementing the preferred option is cost-neutral, whilst providing clear business benefits of reduced risk and improved customer service.

		1/07/2015	1/07/2016	1/07/2017	1/07/2018	1/07/2019	1/07/2020
Option		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Web portal and outsourced reports		0	0.5	1.5	2.5	3.5	4.5
		1.0	2.0	3.0	4.0	5.0	6.0
		000$	000$	000$	000$	000$	000$
Summary							
P&L	Funding - available	1,367	1,197	1,171	1,140	1,140	1,140
	Funding - additional required	-	334	323	304	335	311
	Funding - total	1,367	1,531	1,494	1,445	1,476	1,451
	Expenditure - cash opex - ongoing	1,112	1,224	1,153	1,135	1,166	1,141
	Expenditure - cash opex - project	170	121	-	-	-	-
	Expenditure - depreciation	56	156	232	201	201	201
	Expenditure - write-off	-	-	-	-	-	-
	Expenditure - capital charge	29	29	109	109	109	109
	Expenditure - total	1,367	1,531	1,494	1,445	1,476	1,451
	Operating Balance	-	-	-	-	-	-
Cash Flow	Cash capex - project	-	1,005	-	-	-	-
	Cash opex - project	170	121	-	-	-	-
	Cash opex - ongoing	1,112	1,224	1,153	1,135	1,166	1,141
NPV	Whole of life cost - cash		2,350	1,153	1,135	1,166	1,141
	Whole of life cost - PV	170	2,353	1,013	915	862	774
	Whole of life cost - NPV	170	2,523	3,536	4,451	5,313	6,087

Notes:

1. Funding - additional required - there is a service overlap cost of approximately $50k in the first year since the new service will begin in January 2017 but the old service will be discontinued by March 2017.

2. Cash capex - project - these have a 30% tolerance built into the estimates. This will be refined during design and will be presented to the Investment Committee following these acticities.

Drawdown plan

	CAPEX	% certainty	OPEX	% certainty	Timeframe
Start-up/Initiate	$0.00	0%	$100,000	20%	November 2015- June 2016
Deliver	$87,000	20%	$	30%	June 2016
Total 2015-16	**$87,000**		**$100,000**		Opex has already been drawn down for this financial year
Deliver	910,620	30%	70,000	30%	July – November 2016
Transition	$7,000	50%	$4,000	50%	December 2016- January 2017
Close Out	$0	30%	$47,000	30%	December 2016- January 2017
Total 2016-17	**$ 1,004,620**		**$ 121,000**		

Notes

1. The ICT estimates committee have signed off on the ICT estimates.

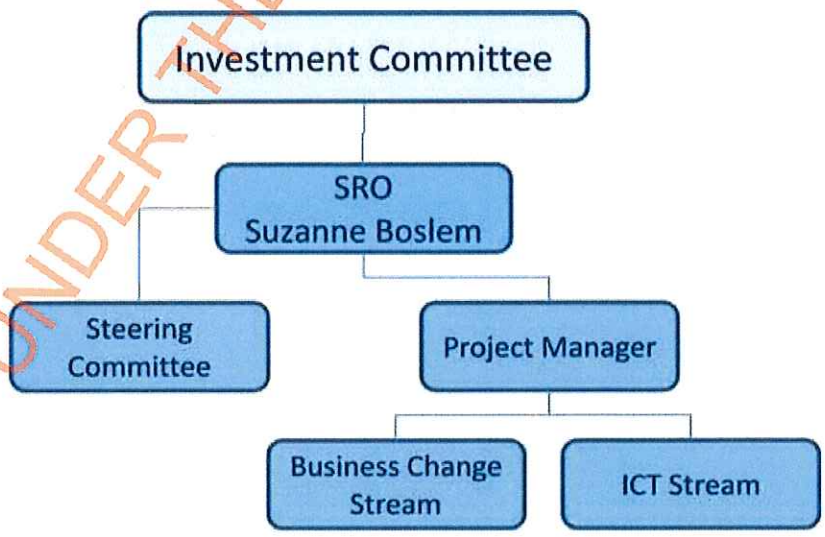
7. Delivery Management

This section describes the management of the delivery of the solution. It provides an outline of resourcing and timeframes to support the proposed project budget.

Governance

The project management and governance arrangements are proposed to be as follows:

- The Senior Responsible Owner is Suzanne Boslem
- A Project Steering Committee will be established to provide advice to the Project Manager and SRO. It will include representatives from the following areas:
    - Senior Responsible Owner - Suzanne Boslem (Chair)
    - Senior User - Brian Young
    - Senior Supplier –(ICT)
    - People & Performance Advisory - TBA
    - Finance Advisory – TBA
- Mandatory Advisor to Steering Committee:
    - Project Manager
- A number of other advisors may be appointed to support the Steering Committee including:
    - Procurement & Contracts Advisory - Lei Sola
    - Communications Advisory (as required)
    - CRU Expert (as required)
    - ICT Programme Manager
    - ICT stream lead
    - Legal advisor
- Secretariat activities will be provided in support of the SRO.



Project Governance Structure

The project will comprise the following streams reporting to the Project Manager:

Project Management stream; • Lead by Project Manager	**Responsible for** • Reporting to SRO • Project Management activities • Managing the supplier engagement • Stakeholder communications • Risk and Issue Management
Business Change stream • Lead by business stream lead	**Responsible for** • Business change model • Changes to business processes, • Working with supplier in relation to business requirements • Communications with CRU staff and customers • Training development and delivery • Planning and delivery of the transition of the business service
ICT Delivery stream • Lead by ICT stream lead	**Responsible for the delivery of the technical solution** • Solution architecture design • Solution (technical) requirements • Working with supplier in relation to interface requirements • Development of technical changes • Testing of technical changes and interface

Delivery

Expected Resource Requirements

Stream	*Role*	*Est Effort*	*Cost Capex*	*Cost Opex*	*Level of certainty*	*Responsible for*
Project Management	Project Manager	146 days	$133,500	$21,200	20%	Manages the project, provides progress updates to SRO and Steering Group.
	Project co-ordinator	146 days	$75,600	$12,000	20%	Provides support for the PM and the 2 stream leads
	Procurement advisor	40 days 0.3 FTE	0	0	20%	Supports supplier engagement
Business Change Stream	Business Change lead (Senior Business BA)	140 days 0.8 FTE	$89,600	$6,400	20%	Leads business change activities Works with business, supplier and ICT to ensure end-to-end view.
	Subject Matter Experts	140 days0.7 FTE	0	$39,200	20%	Provides business expertise to the project
	Process Analyst	50 days 1 FTE	$30,000	0	20%	Responsible for development of new/changed procedures
	Business change advisor	20 days 1 FTE	$19,000	0	20%	Assists with business design & transition planning on an as needed basis
ICT Stream	Technical Lead	150 days 0.5 FTE	$44,800	$7,200	20%	Leads technical delivery team, resolution of technical issues and handover to ICT operations
	ICT Business Analysis	100 days	$54,450	0	20%	Responsible for documenting solution specification
	Solution Architect	100 days	$64,800	0	20%	Prepares solutions design & supports developers & testers
	Enterprise Architect	20 days	$14,400	0	20%	Reviews solutions design & supports solution architect

Stream	*Role*	*Est Effort*	*Cost Capex*	*Cost Opex*	*Level of certainty*	*Responsible for*
	Principal Developer	20 days	$11,520	0	30%	Provides oversight and guidance to testers, and developers
	Clean Slate Developer	74 days 2 FTE	$76,960	0	30%	Designs and builds changes to CSS & supports testing
	Hub Developer Internal	60 days	$31,200	0	30%	Designs and builds technical solutions for Hub,
	Hub Developer External	60 days	$60,000	0	30%	Designs technical solution for Hub, builds solution, and supports testing
	Senior Test Analysts	83 days 2FTE	$125,164	0	50%	Performs technical quality assurance (testing)
	ICT Programme Manager		$6,000	0	30%	Oversight of ICT delivery
Totals			**$836,994**	**$86,000**		

ICT Fixed Costs

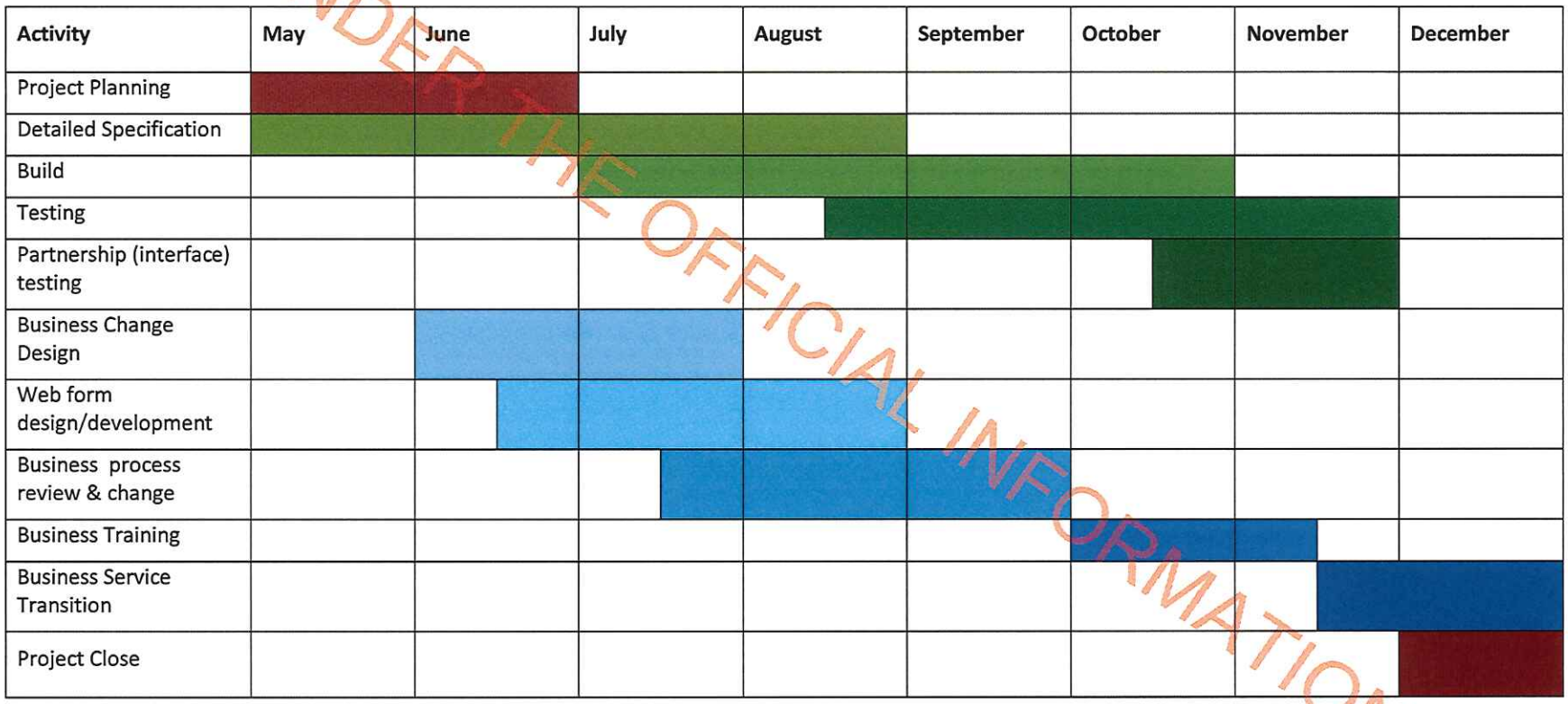
Cost types		Capex	Opex	Certainty	Descriptions
Production delivery	Fujitsu	$50,000	$0	30%	Pre-production and production release costs
Security Audit		$20,000			Audits in relation to security around proposed solution
Provision of CSS Test environment	Fujitsu	$20,000	$0	70%	Test management have recommended that a separate test environment is "stood up" for Clean Slate.
Totals		**$90,000**			

Business Change Fixed Costs

Cost types		Capex	Opex	Certainty	Descriptions
Forms design	External	$15,000	$0	30%	Design and development of new forms and letters.
Travel	Internal	$8,000	$0		Customer and supplier meetings - Auckland
Transition	Internal	$5,000			Staff located at supplier site to support transition
Communications	External	$2,000			Development of any collateral required to support customer transition to new service
Supplier Set-up costs	External	$36,000			
Training	External	$0	$35,000	30%	Includes training for new processes, screens and updates to Thrive
Totals		**$66,000**	**$35,000**		

Expected Delivery Timeframes

The project is delivered through a number of work packages which are aligned with specific project deliverables. All ICT work packages include specification, design, build and test. There are interdependencies between the ICT work packages and the business change activities. The diagram below shows the key streams of activity across the work packages.



Key events and deliverables

Key event or deliverable	Stage	Due	Responsibility
Project planning completed	Initiate	June	Project Manager
Supplier engagement	Specification	June	Project Manager
Solution architecture documents completed	Specification	June	Solution Architect
Business change design completed	Specification	June	Business Change Lead
Customer engagement plan completed	Specification	June	Business Change Lead
New web form completed	Build	August	Supplier/Business
HUB web service build completed	Build	August	ICT Stream Lead
CSS changes completed	Build	August	ICT Stream Lead
Inbound service completed	Build	September	ICT Stream Lead
Tracking and management reporting completed	Build	September	ICT Stream Lead
Outbound service and CCH report changes completed	Build	October	ICT Stream Lead
Business transition plan completed	Business Change	October	Business Change Lead
Business process change completed	Business Change	October	Business Change Lead
Partnership testing completed	Test	November	Project Manager
Business training completed	Transition	November	Business Change Lead
Supplier service schedule completed	Transition	November	Project Manager
Business service transition	Transition	December	Business Change Lead
Project closure completed	Close	December	Project Manager

Delivery Risks

The following delivery risks have been identified:

Risk	Risk rating	Mitigation
Section 9(2)(g)(i)		
Section 9(2)(g)(i)		
Section 9(2)(g)(i)		
Section 9(2)(g)(i)		

Benefits Realisation Management

Full benefit profiles have be completed following Investment Committee approval to proceed to the next stage. Each benefit will be agreed and accepted by the respective business owner.

Benefits will be reviewed as part of the monthly status report. Any changes to benefits will require review by the Steering Committee and approval by the SRO and the relevant benefit owner.

Each benefit has an associated measure; these will be measured according to the measurement timeframes shown in Section 3.

It is recommended that a review of benefits realisation is completed 1 year following project implementation.

Key Stakeholders

Initial analysis has identified the following stakeholders, more detailed stakeholder analysis will be completed during the next project stage

Stakeholder	Type	Project Interest	RASCI
SLT	Internal	Risk Reduction & Operational efficiency (the investor)	I
SRO	Internal	Risk Reduction, operational efficiency & customer service (project champion)	A
Finance	Internal	Operational Efficiency	S
Programme Management Office	Internal	Project assurance and governance	C
Risk and Assurance	Internal	Risk Reduction,	C
People and Performance	Internal	Business Change	S
CRU Manager/Team Leader	Internal	Risk Reduction, operational efficiency & customer service	R
CRU staff	Internal	Business Change	C
ICT	Internal	Technical Change and Risk Reduction	R
CRU customers	External	Customer Service	C
Public	External	Risk Reduction & Operational efficiency	I
Supplier	External	Business & Technical changes	R
Minister	External	Risk Reduction & Operational efficiency	I
Treasury	External	Risk Reduction & Operational efficiency	I

Project Assurance

The following assurance activities will be undertaken by the project. All key project documents receive a peer review and final sign off as a minimum.

Review Type	Schedule Dates	Facilitator	Review & Sign Off
Project management documents	May 2016	PM	SRO PMO
Privacy Impact Assessment	May 2016	Senior BA and Privacy Advisor	SRO
Stakeholder analysis and comms plan	June 2016	Senior BA &=and PM	SRO
Solution requirements	June/July	ICT BA	ICT Stream Lead Senior BA
Solution architecture	June 2016	Solution Architect	Enterprise Architect ICT Lead
Business change design	June 2016	Senior BA Business Change Lead	SRO
Testing plan	June 2016	Senior Test Analyst	ICT Lead Senior BA
Test completion report	November 2016	Senior Test Analyst	ICT Lead PM SRO
Supplier service schedule	November 2016	Business Change Lead Procurement	PM SRO
Business transition plan	November 2016	Business Change Lead	PM SRO
Project health check	June 2016 November 2016	PMO	SRO

Associated Documents

The following documents have been considered in the preparation of this Investment Case:

Document Name	Issue Date	Author	location
CSS Automation of Manual Processes v1.1	31/03/2016	Beverley Bunker	Section 9(2)(f)(iv)
Cleanslate Automation Options Recommendation V1.0	12/04/2016	Jane Garden	Section 9(2)(f)(iv)
ICT Estimate report	27/04/2016	Shane Peterson	
TIMG – response to Business Requirements (Final proposal)	29/04/2016	Daniel Ward	

Document Information

Revision History

Date	Version	Author	Comments
27/11/2015	V0.1	Ross Bowyer	Initial draft
9/12/2015	V0.2	Ross Bowyer	Strategic Section added
29/02/2016	V0.3	Beverley Bunker	Case for change updated and benefits added
5/05/2016	V0.4	Beverley Bunker	Solution options and delivery sections added. Cost estimates included
27/04/2016	V0.5	Beverley Bunker	Key events, resources & timeframes added
4/05/2016	V0.6	Beverley Bunker	Feedback from Senior user & PMO incorporated
10/05/2016	V0.7	Beverley Bunker	Finance section added
11/05/2016	V0.8	Beverley Bunker	Amendments following ICT estimates & final review
11/05/2016	V1.0	Brian Young	Draft for circulation to IC review panel

MINISTRY OF JUSTICE
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MINISTRY OF JUSTICE
Tāhū o te Ture

Strategic Leadership Team

Joint Planning & Resources & Investment Committee

Decision Log

21 July 2016

Meeting Room 3-3/3-4

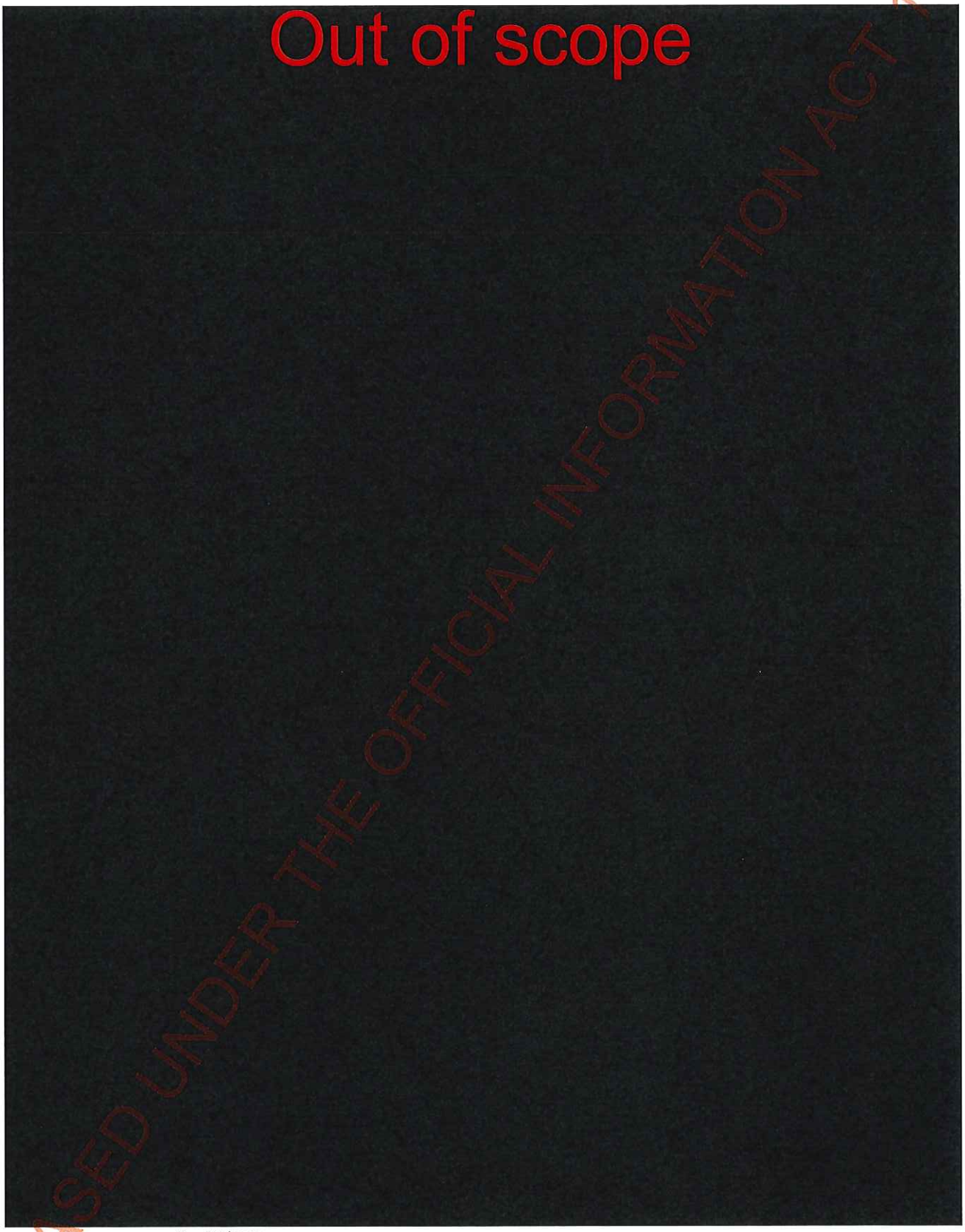
09.00 –12.30

	Attendees	
Committee members:	Rajesh Chhana (Chair) Edrick Child Andy Fulbrook Darren Nicholas	Jacquelyn Shannon Suzanne Stew Tony Fisher Wendy Hamilton
Advisors to the Committee:	Nick Athea Neil Brown Shanan Smith	
Other Attendees:	Tim Shaw	
Apologies:	Nigel Fyfe Tina Wakefield Karin Schofield Colin Lynch Craig Candy	Brigid Corcoran Audrey Sonerson Gina McGrath Ashlee Bowles

SLT Planning & Resources & Investment Committee Meeting Agenda
21 July 2016
(Chair – Rajesh Chhana)

Out of scope

Pages 7-10 are out of scope



5. Business:
   a. **Criminal Records Management drawdown request** — Brian Young — Paper

Recommendation — It s recommended that you:

	• **Approve** this project to continue into the Delivery Stage.	Yes
	• **Approve** FY16/17 funding of: a. $1.004 Million Capex b. $121,000 Opex	Yes
Discussion	• Joined by Transition Manager CRU • Opex to come from ICT allocation • Project in flight and work has continued in line with indication from previous meetings • [redacted] Section 9(2)(f)(iv)	
Direction	Nil	

[redacted] Out of scope

Version 4.0

MINISTRY OF JUSTICE

Criminal Conviction History Checks - Update

3 November 2016

7

Continue

Introduction

The Ministry provides Criminal Conviction History Checks (CCH) to 2 distinct groups:

- Individuals – provided with their criminal conviction information under the Privacy Act 1993 within 20 working days free-of-charge.
- Third parties (recruitment agencies, employers, government agencies) Ministry has no statutory requirement to provide this service to third parties.
  - Standard service - 20 working days (best endeavours) free –of-charge
  - Priority service - SLA of 5 working days, fee based.

Background

Volumes

Unique requests	380,000	2015/16
Manually processed (incl all manual interventions)	460,000	2015/16
Individual	15% of volume	
Third party priority	25% of volume	
Third party standard	60% of volume	
Growth	96%	since 2011
Revenue	$930,000	2015/16

Actions from previous meeting

You asked us to:

1. Section 9(2)(h) [redacted]
2. Remove the backlog for third party standard service customers by the end of August 2016
3. Develop a fee increase proposal for the existing third-party priority service
4. Section 9(2)(f)(iv) [redacted]
5. Section 9(2)(f)(iv) [redacted]

1 Section 9(2)(h) [redacted]

Out of scope [redacted]

[redacted]

Section 9(2)(h) [redacted]

[redacted]

2 Remove backlog for third party customers

Service level performance - July 2016

- In July there was a significant backlog for the provision of the third party standard requests as shown below:

Individual	17 working days
3rd party priority	5 working days
3rd party standard	65 working days

- The Ministry addressed this backlog throughout August and brought the service levels back within guidelines.
- The current service level performance is shown below:

Current service level performance

Individual	8 working days
3rd party priority	5 working days
3rd party standard	16 working days

3 Fee Increase To Existing Third Party Priority Service

You asked us to develop a fee increase proposal for the existing third-party priority service. The contract for priority service enables us to review and amend the fees at any time.

The Ministry currently fully recovers the costs to provide this priority service.

The priority service annual fee is set on the 1 July each year and many customers pay in advance.

Section 9(2)(f)(iv) [redacted]

[redacted]

Recommendation

The proposal to increase existing priority service fee is not progressed.

MINISTRY OF JUSTICE
Tāhū o te Ture

Criminal Conviction History Checks - Update

3 November 2016

Section 9(2)(f)(iv)

MINISTRY OF JUSTICE
Tāhū o te Ture

Criminal Conviction History Checks - Update

3 November 2016

Section 9(2)(f)(iv)

MINISTRY OF JUSTICE
Tāhu o te Ture

Criminal Conviction History Checks - Update

3 November 2016

6 Conclusion

1. Out of scope
   - [redacted]
   - Section 9(2)(h)
2. **The 3rd party standard service backlog has been cleared**
   - The Ministry has addressed the third party standard service backlog and has additional resources to maintain service delivery .
3. **We do not recommend an increase to the current third party priority service fee**
   - The cost to provide this priority service is being fully recovered
   - Section 9(2)(f)(iv)
4. Section 9(2)(f)(iv)
5. Section 9(2)(f)(iv)
6. **Service delivery strengthened**
   - The Ministry has successfully completed a project to upgrade the Clean Slate System, which is the underlying platform that supports the criminal conviction history service in preparation for automation of manual processes.
7. Section 9(2)(f)(iv)

Actions from previous meeting

You asked us to:

1. Out of scope ✔
2. Remove the backlog for third party standard service customers by the end of August 2016 ✔
3. Develop a fee increase proposal for the existing third-party priority service ✔
4. Section 9(2)(f)(iv) ✔
5. Section 9(2)(f)(iv) ✔

Recommendation

Approve

1. Section 9(2)(f)(iv)
2. Section 9(2)(f)(iv)

Version 1.0

MINISTRY OF JUSTICE
Tāhū o te Ture

Update on Third Party Charging for Criminal Conviction History Checks

12 April 2017

Continue

1 Introduction

The Ministry provides Criminal Conviction History Checks to 2 distinct groups:

- Individuals – provided with their criminal conviction information under the Privacy Act 1993 within 20 working days free-of-charge.
- Third parties (recruitment agencies, employers, government agencies) Ministry has no statutory requirement to provide this service to third parties.
  - Standard service - 20 working days (best endeavours) free –of-charge
  - Priority service - SLA of 5 working days, fee based.

Section 9(2)(f)(iv)

3 Project 000778 Whakapai Ake update

- Project will automate many of the Criminal Records Unit (CRU) processes, helping to reduce the risks from manual processing and to enabling the Ministry to provide a sustainable service capable of meeting current and future demand.
- Successful production release in March. Current focus is on transitioning customers into the new scanning service.
- The Project Steering Committee approved the deferral of all web form related development from this project

Section 9(2)(f)(iv)

Section 9(2)(f)(iv)

Version 1.0

MINISTRY OF JUSTICE
Tāhū o te Ture

Update on Third Party Charging for Criminal Conviction History Checks

Continue

9

12 April 2017

Section 9(2)(g)(i)

SUMMARY

- Project 000778 Whakapai Ake successfully released into production March 2017
- Section 9(2)(f)(iv)
- Sections 9(2)(f)(iv) and 9(2)(j)
- The business will make a funding request to the ICT Sub portfolio Committee.
- Section 9(2)(f)(iv)

5 Costs

Estimated project costs

- There is little ICT development work involved to deliver the online experience. Likely development costs include project management and security testing .
- Section 9(2)(f)(iv) and 9(2)(j)
- The business will make a funding request to the ICT Sub portfolio Committee

Benefits realisation.

- Improved customer service – customers able to request through channel of their choice, sustainable turnaround times.
- Improved cost efficiency - digitally capturing customer data via online web forms provides significant cost savings with processing customer requests
- Section 9(2)(f)(iv)

6 Next Steps

- Obtain cost and delivery estimates from supplier
- Prepare funding request for ICT sub portfolio and approval to proceed
- Prepare business case.

MINISTRY OF JUSTICE
Tāhū o te Ture

Strategic Leadership Team
Planning & Resources Committee

18 April 2017

Boardroom

Decision Log / Minutes

09.30 –12.00 pm

	Attendees	
Committee members:	Rajesh Chhana (Chair)	Edrick Child
	Carl Crafar	Karin Schofield
	Brigid Corcoran	
Other Attendees:	Tim Shaw	
Apologies:	Andy Coster	
	Suzanne Stew	
	Tina Wakefield	

SLT Planning & Resources Meeting Agenda

18 April 2017

(Chair – Rajesh Chhana)

Serial	Time	Agenda Item	Responsible	Papers

Out of scope

Pages 6-10 are out of scope

Out of scope

3. a.	Section 9(2)(f)(iv) Concept brief	Brian Young	Paper

Discussion

- Planning and Resources were joined by the Transition Manager Communication services.
- A paper was tabled to the committee which the committee was walked through
- Project Whakapai Ake successfully was released into production March 2017
- Section 9(2)(f)(iv)
- Section 9(2)(f)(iv)
- Section 9(2)(f)(iv)
- Section 9(2)(f)(iv)
- Sections 9(2)(f)(iv) and 9(2)(j)
- The business will make a funding request to the ICT. Sub portfolio Committee.

Direction ACTION: Refer the hand out as a noting paper to Investment next week.

Out of scope

Pages 12 and 13 are out of scope