December 6, 2019

The Honorable Ronald D. Kouchi,
  President, and
    Members of The Senate
Thirtieth State Legislature
Hawaii State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
  Speaker, and
    Members of The House of Representatives
Thirtieth State Legislature
Hawaii State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Pursuant to HRS section 27-43.6, which requires the Chief Information Officer to submit applicable independent verification and validation (IV&V) reports to the Legislature within ten days of receiving the report, please find attached the IV&V report the Office of Enterprise Technology Services received for the State of Hawaii Department of Accounting and General Services' Time & Leave Project.

In accordance with HRS section 93-16, this report may be viewed electronically at http://ets.hawaii.gov (see "Reports").

Sincerely,

Douglas Murdock (Dec 6, 2019)

DOUGLAS MURDOCK
Chief Information Officer
State of Hawai'i

Attachment (2)

Overview

- Executive Summary
- IV&V Findings and Recommendations
- IV&V Status
- Appendices
  - A – IV&V Findings Log & Priority Ratings
  - B – Standard IV&V Inputs
  - C – IV&V Details
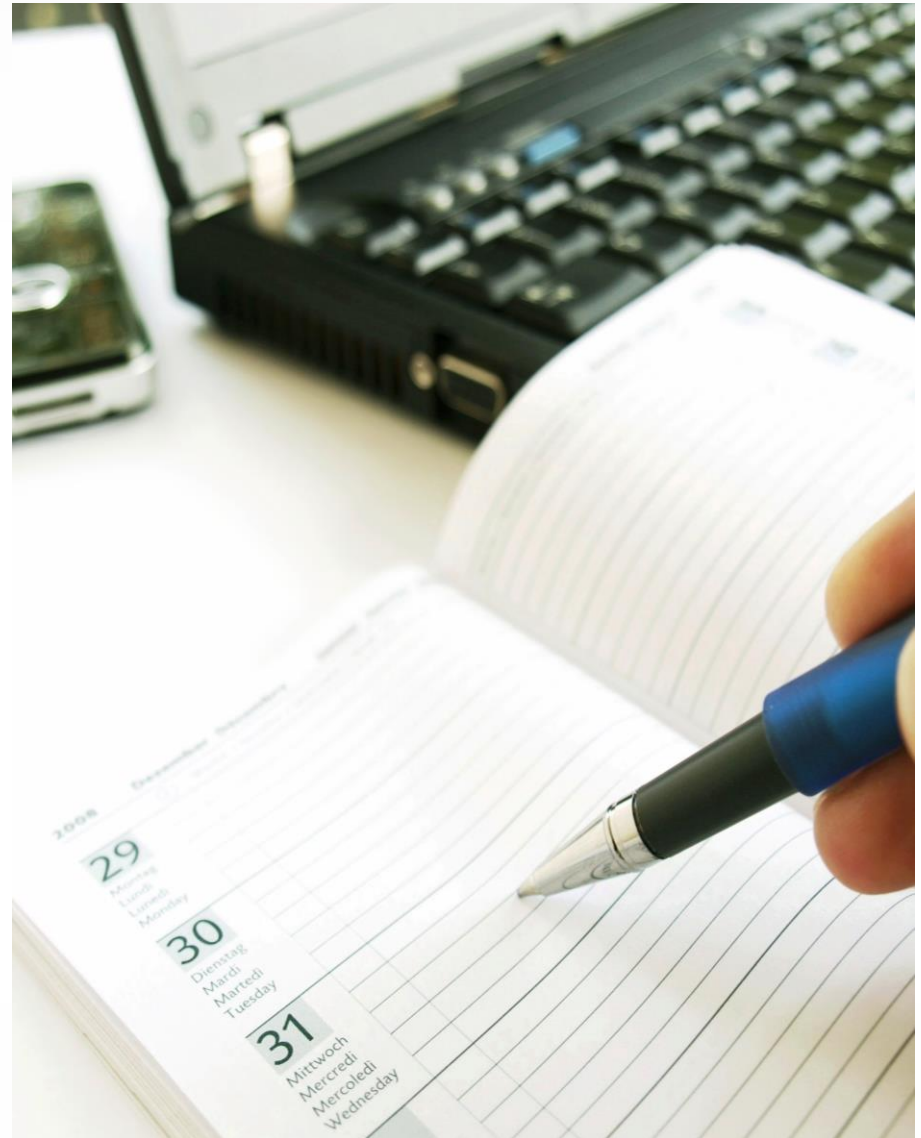
Executive Summary

The Time & Leave (TL) project continues to make good progress as they engage with participating departments on a wide range of process, TL standardization, and CBA rule clarifications. Project efforts to track and resolve these issues appear to be highly productive and effective. While previously reported communication challenges between the project and central operations groups have not been resolved, plans for addressing this risk are reportedly underway. The project and payroll operations has recently reported the addition of resources to address the risk of the project team continuing payroll operations support, detracting them from TL project duties. However, the project also reported that, due to Payroll Help Desk contract challenges, some project team members have taken on the additional burden of answering help desk calls. Therefore, IV&V has raised the Human Resources Management category risk to 'High'. IV&V remains concerned with the complexity of CBA rules, TL configuration impacts to payroll, and the lack of an effective operations management plan for Payroll and post go-live TL support.

	Category	IV&V Observations
H	Human Resources Management	Payroll operations has reported the addition of 6 resources and has stated their intent to begin weaning their dependence off of project team resources. However, IV&V is unaware of any formal transition plan, and the extent to which project team resources will be freed up to work on TL project activities remains unclear. The payroll system help desk (HD) was previously staffed by 4 contractors under a contract with a 3rd party vendor but, due to recent procurement challenges, the contracted HD team has been reduced to a single contractor resource. Subsequently, 4 TL project team members (including the TL PMO) are augmenting the help desk team by answering phones to ensure adequate payroll help desk support. Drawing the TL PMO (as well as other team members) away from their focus on critical TL activities poses additional overall risks to the project. Therefore, IV&V has raised this category risk to a High.
M	Knowledge Transfer	Good efforts are being made by Payroll Operations (PO) to wean them off their dependence on key project team resources. However, there is no formal plan for this and the extent to which project team resources will be freed up to work on TL project activities remains unclear. Further, TL project team members have begun augmenting the help desk team by answering phones. Therefore, IV&V has raised risk #4 (*Payroll production support dependence on key Time and Leave Resources*) to a High. Efforts are underway to mitigate a previously reported project/payroll operations communication risk including designation of a new PO liaison to the project. IV&V has recommended an expansion of the liaison role for project support in order to ensure full engagement of PO with the project team. This, combined with strong SI M&O support to PO is likely to further mitigate Knowledge Transfer risks. IV&V will continue to monitor the effectiveness of these efforts.

Executive Summary (cont'd)

	Category	IV&V Observations
L	Operational Preparedness	IV&V noted that although the TL project continues to be burdened by operational support requests for the production Payroll solution and that this level of support appears to be increasing due to procurement challenges, the TL team continues to mitigate the risk incurred by this unexpected workload and move forward with assisting departments and agencies to be prepared for the new TL solution.
L	Organizational Change Management	The project continues to focus on the mentoring process to provide clear instructions to the departments and agencies regarding any necessary steps to get to an adequate state of readiness required for the TL solution. The project has also met with some department's leadership to help ensure that there is a clear understanding of not only the requirements for operational readiness but also a general sense of the level of effort that may be required. IV&V has observed that, in some cases, the department leadership may have a different perspective regarding the necessary requirements as well as their current state of readiness. IV&V noted that these differences were not material and that the project has reacted appropriately to clear up any concerns in these instances. IV&V also continues to note that the OCM efforts remain without a dedicated lead. IV&V continues to note that the use of the project mentors appears to be effective. IV&V has not yet evaluated the project's training strategy or materials. IV&V will review training plans as they become available.

Executive Summary (cont'd)

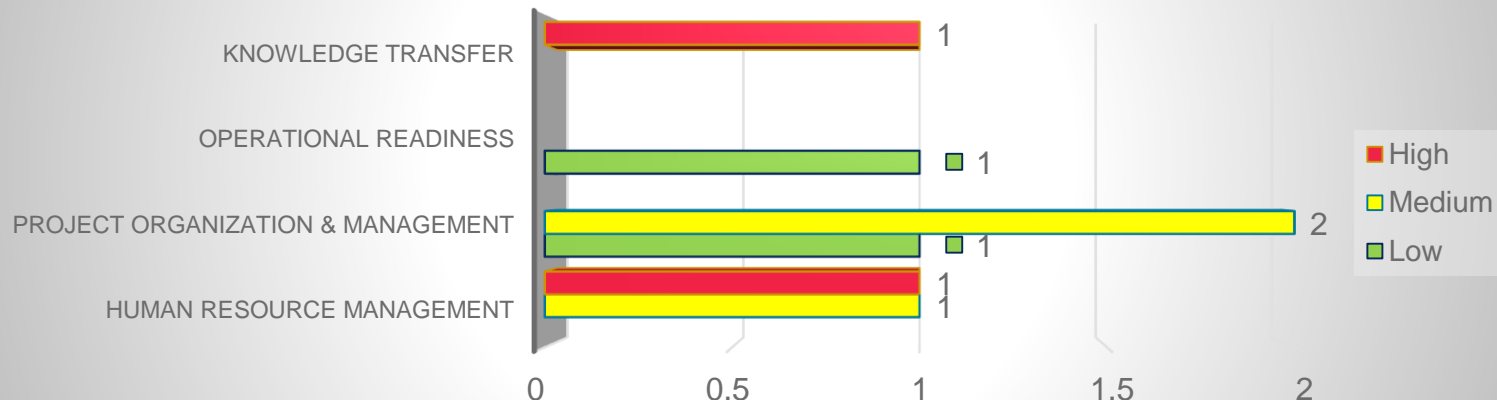|	Category	IV&V Observations
L	Project Management and Organization	IV&V previously reported risks around constrained PMO project resources that could impact the effectiveness of TL project management. These risks have been further exacerbated during this reporting period as the PMO have begun augmenting the help desk team by answering phones to ensure adequate payroll help desk support. The project has initiated requests to meet with unions to resolve outstanding union questions and clarify CBA rules. The desired result of these meetings will be to clarify rules and determine the criticality of existing union risks. IV&V previously reported communication challenges between the project and central operations groups (primarily HR and Payroll Operations) and has since received additional details as to the extent of these challenges. IV&V has therefore escalated this finding #14 (*Communications between the project and central operations groups can be ineffectual*) to a medium risk for this reporting period, but will monitor the results of recent central operations-initiated plans to improve communications. As of 10/23/19, Payroll Operations (PO) has replaced their project point of contact (POC) that attends the projects risk meeting and HR has stated their intention to improve communications with the project. The project has also committed to initiating working sessions with DHRD to resolve their concerns.
L	Quality Management	The project continues to plan for the next series of Conference Room Pilots (CRP). The second series of CRP meetings is scheduled for early November. This should provide an opportunity for the state to review configuration and design changes that were recommended during the previous CRPS as well as review and resolve open design concerns that have yet to be resolved. IV&V continues to note the necessity of complete and comprehensive regression testing to avoid unexpected negative defects to the current HawaiiPay solution. The project noted a regression test plan would be delivered in the upcoming reporting periods.

IV&V Findings and Recommendations

IV&V has identified 11 findings (4 preliminary concerns, and 7 risks). Of the open risks/issues, 3 are related to Project Management. IV&V has escalated one Knowledge Transfer risk to "High". The following charts breakdown the risks by type and category/priority.

Findings by Type

4, 36%
7, 64%

- Preliminary Concern
- Risk

Open Risks/Issues by Category/Criticality

KNOWLEDGE TRANSFER — 1

OPERATIONAL READINESS — 1

PROJECT ORGANIZATION & MANAGEMENT — 2
— 1

HUMAN RESOURCE MANAGEMENT — 1
1

- High
- Medium
- Low

0   0.5   1   1.5   2

IV&V Findings and Recommendations (cont'd)

Summary of IV&V Open Risks/Issues Criticality

Category		Finding Title	Criticality
Knowledge Transfer	Risk	**4- Payroll production support dependence on key Time and Leave Resources**	High
Operational Readiness	Risk	**8 - Detailed processes to integrate Time & Leave Maintenance and Operations support with production Payroll support not finalized**	n/a
Quality Management	Preliminary Concern	**12 - Potential lack of consideration for unexpected or unintended impacts on payroll functionality when making T&L design decisions or configurations, could necessitate rework of T&L designs and/or impact payroll quality**	n/a
Project Organization & Management	Risk	**9 - Unexpected collective bargaining or legislative changes could lead to unanticipated demands on the project and increased scope**	Low
	Preliminary Concern	**11 - Collective Bargaining Agreements complexity could prove problematic and lead to project delays and result in an overly complex system that may be difficult to support**	n/a
	Risk	**13 - Departments choosing not to participate in the TL project could lead to unnecessary costs to the state as well as project team wasting valuable time to onboard departments who eventually decide to opt-out**	Medium
	Risk	**14 - Communications between the project and central operations groups (primarily HR and Payroll Operations) can be ineffectual which could lead to project delays and cost overruns**	n/a
	Preliminary Concern	**15 - Key project risks and issues management and escalation processes may not be effective**	n/a
	Preliminary Concern	**16 – Insufficient tracking of critical path can lead to unexpected delays and leave the project team with little time to respond to slippage**	n/a
Human Resource Management	Risk	**5 - Over reliance on a few skilled and overtaxed project resources could lead to significant project disruption in the event of their departure**	High
	Risk	**6 - Lack of dedicated leads filling key roles could impact the effectiveness of the project team and reduce quality of deliverables**	Medium

IV&V Findings and Recommendations (cont'd)

Project Management & Organization L

#	Key Findings	Criticality Rating
9	Risk - **Unexpected collective bargaining or legislative changes could lead to unanticipated demands on the project and increased scope**: The State Legislature and Unions may make laws or change Collective Bargaining Agreements (CBA) that could require significant system changes thereby disrupting the project's progress, activities, schedule, and/or budget. These changes to SOH processes could be decided without consideration of impact to the project or providing the project time to react to such changes.	Low
11	Preliminary Concern - **Collective Bargaining Agreements (Union time/leave rules) complexity could prove problematic and lead to project delays and result in an overly complex system that may be difficult to support**: IV&V observations of CBA-related planning activities indicate that implementation and long-term support of an extensive set of complex rules could prove to be difficult to implement and manage/support long-term. Inconsistent rule interpretation could lead to extensive OCM efforts and some departments may struggle to adopt clarified CBA rules and require the project to initiate extensive OCM efforts to assure departmental adoption of clarified rules implemented in the new system are feasible and are managed effectively.	n/a
13	Risk - **Departments choosing not to participate in the TL project could lead to unnecessary costs to the state as well as project team wasting valuable time to onboard departments who eventually decide to opt-out**: If any department chooses to opt-out of the TL project, DAGS must continue support of the gross pay input system (ePCS) that was planned for decommission. IV&V is not aware of budgets, resources, or plans to continue ePCS support beyond TL project completion. Further, departments could initially decide to participate in TL and the project team could expend significant resources preparing for and implementing department specific features only to find out that they will opt-out.	Medium

IV&V Findings and Recommendations (cont'd)

Project Management & Organization (cont'd) Ⓛ

#	Key Findings	Criticality Rating
14	**Risk** - **Communications between the project and central operations groups (primarily HR and Payroll Operations) can be ineffectual which could lead to project delays and cost overruns**: IV&V has observed and has also been informed of communication challenges between the Project Team and business operations. IV&V was also informed that some business operation plans relevant to the project are not immediately being shared with the project team. Some business operations teams have stated their capacity is constrained due to lack of sufficient resources as well as challenges in filling open positions. However, even simple or basic project communications appear to go unanswered.	Medium
15	**Preliminary Concern** - **Key project risks and issues management and escalation processes may not be effective**: Some risks and issues currently tracked in the RIOD process may not be actively worked or reported on. For example, the project is currently tracking several risks owned by payroll operations that show little to no progress. The lack of progress may unnecessarily cause a risk to be realized and triggered into an issue that could have lasting negative impacts to the project, when it could have been avoided.	n/a
16	**Preliminary Concern** - **Insufficient tracking of critical path can lead to unexpected delays and leave the project team with little time to respond to slippage**: While the project is cognizant of critical path tasks there is no formal or automated tracking of the project critical path. Though the project schedule is currently being tracked in SmartSheets, they have yet to utilize the critical path (dependencies) tool features. The project has stated their intention to implement critical path in the tool in December with the full Group 1 deployment schedule. Failure to effectively track project critical tasks and understand the impact of critical path task slippage can lead to unexpected delays and leave the project team with little time to respond to slippage that could lead to slippage of critical milestones and go-live dates. The SI has already indicated that project delays will incur additional cost and may require additional state funding.	n/a

IV&V Findings and Recommendations (cont'd)

Project Management & Organization (cont'd)   **L**

Recommendations	Progress
• Continue early efforts to document and track CBA rules (and union discussion topics) that may need clarification for departments.	In progress
• Closely monitor legislative and union actions and/or initiatives that could impact the project and provide them feedback as needed to ensure informed decisions and clear understanding of impacts to payroll and the time and leave project.	In progress
• Partner with Unions to clarify CBA rules so that in the end union objectives are met where ever possible within the scope of the Time and Leave project.	In progress
• Initiate early and often discussions with Unions for rule clarifications and general understanding and agreements on how CBA rules will be implemented.	Not started
• Work closely with departments that are unsure of their TL participation to assist with readiness and collaborate to remove any blocks to their full participation.	In progress
• Develop contingency plans for the possibility that some departments may not participate in TL.	Not started
• Work with executive leadership and business operations groups to address the root cause of these communication challenges and prepare a plan/strategy for corrective action.	In progress
• Establish a clear and detailed risk management plan for escalating risks and issues and follow defined escalation steps for risks/issues that are not actively being worked.	In progress

IV&V Findings and Recommendations (cont'd)

Human Resource Management

H

#	Key Findings	Criticality Rating
5	**Risk - Over reliance on a few skilled project resources could lead to significant project disruption in the event of their departure:** There are currently 3-4 individuals who are relied on more than others. Over reliance on key resources can not only overtax and thereby reduce the effectiveness of these key individuals, but also presents a risk of significant project disruption in the event of their departure. Resource losses from the Phase I team have not been backfilled and include the loss of the OCM manager and the SI project manager role; their responsibilities have been transferred to existing team members who appear to be at capacity. While most projects have this risk, the risk impact for this project, from IV&V's perspective, is higher than most, and while the project could be impacted by the loss of several key individuals, there are 3-4 individuals who would create more significant project disruption than others.	High
6	**Risk - Lack of dedicated leads filling key roles could impact the effectiveness of the project team and reduce quality of deliverables:** The project does not have single, designated management leads for key areas such as OCM, Project Management, Training, and Testing. Current designated leads manage multiple Time and Leave functional areas, act as mentors for several departments, and have the added burden of supporting Phase 1 M&O. The SI and project team have agreed to go without an SI project manager which could put an additional strain on the state PM.	Medium

IV&V Findings and Recommendations (cont'd)

Human Resource Management (cont'd)   H

Recommendations	Progress
• DAGS leadership work quickly to assist payroll operations to resolve resource challenges.	In progress
• Work quickly to increase state resources.	In progress
• Create and utilize a resource management plan to assure planful, instead of reactive, addition and management of resources. Assure the plan reflects an understanding of how many people are needed, and in which roles, to accomplish various tasks. Plan should address movement of resources as project transitions to different phases (e.g. moving from DD&I to M&O).	Not started

IV&V Findings and Recommendations (cont'd)

Quality Management L

#	Key Findings	Criticality Rating
12	Preliminary Concern **– Potential lack of consideration for unexpected or unintended impacts on payroll functionality when making T&L design decisions or configurations, could necessitate rework of T&L designs and/or impact Payroll quality:** If not adequately planned for and tested, system and configuration changes required to deliver the Time and Leave functionality may include unexpected impacts to the current Payroll solution. It is unclear how the changes will be managed and what level of regression testing is planned.	n/a

Recommendations	Progress
• Define and document the regression testing plan to ensure that any Time and Leave changes do not have an unexpected negative impact on production Payroll functionality.	Not started
• Assure Time and Leave design and configuration includes consideration for impacts on Payroll, prior to implementing the design or configuration. This may be accomplished, in part, using an effective and integrated configuration management plan.	In progress

IV&V Findings and Recommendations (cont'd)

Knowledge Transfer (M)

#	Key Findings	Criticality Rating
4	**Risk - Payroll production support dependence on key Time and Leave Resources:** The concurrent DDI (Design Development & Integration) and production maintenance and operations (M&O) support activities are heavily reliant on key Time and Leave resources which may degrade their quality of work and/or cause resources to be unavailable to the Time and Leave project during critical times due to demands from Payroll support. Key project Time and Leave team members remain significantly involved in providing M&O support for the Payroll solution. At least one key team member reports spending 60% of their time providing help desk support to Payroll.	High

Recommendations	Progress
• Develop and implement a fully staffed support team for the Payroll service. This should include a transition plan to allow the Time and Leave key resources to share their knowledge while significantly reducing the time spent on providing Payroll support.	In Progress

IV&V Findings and Recommendations (cont'd)

Operational Readiness L

#	Key Findings	Criticality Rating
8	**Risk - Detailed processes to integrate Time and Leave M&O support with production Payroll support not finalized:** A strategy to integrate Time and Leave M&O with the ongoing Payroll M&O, then transition support of both solutions to DAGS operations, is not yet available. The lack of a documented process to integrate Time and Leave M&O support with Payroll production support may cause unnecessary risk at Time and Leave Phase 1 go live. Changes to the current Help Desk support vendor were planned but stopped prior to execution. The lack of an executable strategy indicates the strategy should be re-evaluated. IV&V has also logged a related risk (#4) that Time and Leave resources are spending more time than planned with Payroll service M&O support activities.	Low

Recommendations	Progress
• Develop and implement a long-term strategy for providing effective, integrated ongoing M&O support for both Time and Leave and Payroll solutions. This strategy should ensure that there are sufficient capabilities and capacity to provide the required support without drawing on resources already allocated to other projects.	Not started

IV&V Status

- **IV&V activities performed during the reporting period:**

    - Attended Scrums

    - Attended PCAB meeting

    - Attended RIO-D meetings

    - Attended Department Mentor Sessions

    - Attended project Mentor team meetings

    - Project Team Risk Review sessions

    - Attended Conference Room Pilots

    - Lead Monthly Status Report review session

- **IV&V next steps in the coming reporting period:**

    - Attend key project meetings

    - Interview key department stakeholders

    - Deliver IV&V Monthly Status Report

Appendix A – IV&V Criticality Ratings

This appendix provides the details of each finding and recommendation identified by IV&V. Project stakeholders are encouraged to review the findings and recommendations log details as needed.

See definitions of Criticality Ratings below:

Criticality Rating	Definition
H	A high rating is assigned if there is a possibility of substantial impact to product quality, scope, cost, or schedule. A major disruption is likely and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.
M	A medium rating is assigned if there is a possibility of moderate impact to product quality, scope, cost, or schedule. Some disruption is likely and a different approach may be required. Mitigation strategies should be implemented as soon as feasible.
L	A low rating is assigned if there is a possibility of slight impact to product quality, scope, cost, or schedule. Minimal disruption is likely and some oversight is most likely needed to ensure that the risk remains low. Mitigation strategies should be considered for implementation when possible.

Appendix B – IV&V Standard Inputs

To keep abreast of status throughout the Time & Leave project, IV&V regularly:

- **Attends the project meetings**
- **Reviews the project documentation**
- **Utilizes Eclipse IV&V® Base Standards and Checklists**

PCG Eclipse IVV
Checklists

Appendix C – IV&V Details

- What is Independent Verification and Validation (IV&V)?
    - Oversight by an independent third party that assesses the project against industry standards to provide an unbiased view to stakeholders
    - The goal of IV&V is to help the State get the solution they want based on requirements and have it built according to best practices
    - IV&V helps improve design visibility and traceability and identifies (potential) problems early
    - IV&V objectively identifies risks and communicates to project leadership for risk management

- PCG IV&V Methodology
    - Consists of a 4-part process made up of the following areas:
        1. **Discovery** – Discovery consists of reviewing documentation, work products and deliverables, interviewing project team members, and determining applicable standards, best practices and tools
        2. **Research and Analysis** – Research and analysis is conducted in order to form an objective opinion.
        3. **Clarification** – Clarification from project team members is sought to ensure agreement and concurrence of facts between the State, the Vendor, and PCG.
        4. **Delivery of Findings** – Findings, observations, and risk assessments are documented in this monthly report and the accompanying Findings and Recommendations log. These documents are then shared with project leadership on both the State and Vendor side for them to consider and take appropriate action on.

Note: This report is a point-in-time document with findings accurate as of the last day in the reporting period.

Public Consulting Group

Solutions that Matter

Id	Identified Date	Title / Summary	Finding Description	Analysis and Significance	Recommendation	Updates	Category	Type	Priority	Status	Risk Owner
4	8/31/2019	**Payroll production support dependence on key Time and Leave Resources**	The concurrent DDI and production (M&O) support activities are over burdening Key Time and Leave resources which may degrade quality of work and resources could be unavailable at critical times of the Time and Leave project.	As a matter of best practice when delivering a new service, the service needs to be fully sustainable and self-supporting. For instance, the commonly used Information Technology Information Library (ITIL) practices recommend that the service has a fully functional and staffed post go live support mechanism. This mechanism should not heavily rely on or unnecessarily burden resources or tools dedicated to other projects or services. Key project time and leave team members remain significantly involved in providing Maintenance and Operations (M&O) support for Payroll Phase 1 solution. At least one key team member reports spending 60% of their time providing help desk support to Payroll. This level of involvement may reduce the availability and degrade work quality of the Phase 2 Time and Leave resources.	• Develop and implement a fully staffed support team for the Payroll service. This should include a transition plan to allow the Time and Leave key resources to share their knowledge while significantly reducing the time spent on providing Payroll support.	10/31/19 Payroll system help desk is currently staffed by 4 contractors under a contract with a 3rd party vendor. Due to recent procurement challenges, the contracted HD team has been reduced to 1 contractor. Subsequently, TL project team members (including the TL PM) are augmenting the help desk team by answering phones to ensure adequate payroll help desk support. Drawing the TL project manager (as well as other team members) away from their focus on critical TL activities can exacerbate this risk and therefore IV&V has raised this risk to a High. 9/30/19 - Two project resources have departed the project recently, a security analyst and a business analyst whose responsibilities included testing and department mentor. DAGS Payroll operations division is actively trying to fill 5 positions that should help to	Knowledge Transfer	Risk	High	Open	Ken
5	8/31/2019	**Over reliance on a few skilled and overtaxed project resources could lead to significant project disruption**	There are currently 3-4 individuals who are relied on to a greater extent than others. Over reliance on key resources can not only overtax and thereby reduce the effectiveness of these key individuals, but also presents a risk of significant project disruption in the event of their departure. Resource losses from the Phase I team have not been backfilled and include the loss of the OCM manager and the SI project manager role; their responsibilities have been transferred to existing team members who already appear to be at capacity.	The project currently relies on a few talented, and dedicated resources in leadership roles to drive most project activities and, more importantly, drive project quality, as evidence by their keen attention to minute project activity details. While most projects have this risk, the risk impact for this project, from IV&V's perspective, is higher than most, and while the project could be impacted by the loss of several key individuals, there are 3-4 individuals who are relied on to a greater extent than others. Loss of these individuals could lead to significant project disruption. Over reliance on key resources can not only overtax and thereby reduce the effectiveness of these key individuals, but also	• Work quickly to increase state project team resources. Consider re-allocation of responsibilities from key resources, where possible, to transition key resources to supervisory roles which would provide increased capacity for them to perform coaching and quality control, thereby increasing the overall project quality. As responsibilities are transitioned, team members taking on new responsibilities typically have a greater sense of motivation, project ownership and commitment. • Develop a initial KM strategy to help ensure project knowledge (tacit and otherwise) is not lost when staff leave the project or state employment. • Survey project resources to determine job satisfaction and take appropriate steps to increase retention. • Conduct an exit interview for the departed CRT and state project resources and work quickly to address issues that negatively impact project participation and job satisfaction. • Develop an approach to expedite succession planning and identify near-term knowledge transfer activities.	10/31/19 - The project has added addition resources to the project team this reporting period, including the addition of an analyst to the Technical Team. Business operations has also reported the addition of 6 new resources. However, due to recent problems with the HIP Help Desk contract, key project resources (primary the PMO) have taken on the additional burden of answering phones for the HIP Help Desk, further detracting project leadership from important project tasks. Therefore, IV&V is maintaining this as a High risk to the project. 9/30/19 - With the recent departure of one of the project department	Human Resource Management	Risk	High	Open	Michael

Id	Identified Date	Title / Summary	Finding Description	Analysis and Significance	Recommendation	Updates	Category	Type	Priority	Status	Risk Owner
6	8/31/2019	**Lack of dedicated leads filling key roles could impact the effectiveness of the project team and reduce quality of deliverables**	The project currently lacks dedicated leads filling key roles resulting in existing resources serving multiple roles which may impact their overall effectiveness, quality, and timely execution of tasks. The project does not have single, dedicated Management Leads for key areas such as OCM, Project Management, Training, and Testing. Additionally, the project decided that a full time SI project manager was unnecessary. Current designated leads manage multiple Phase 2 project tracks and functional areas and have the added burden of supporting Phase 1 M&O. IV&V had identified Phase 1 OCM risks that were eventually realized siting the lack of a dedicated OCM Strategic Manager and a single OCM Operations Manager. Phase 2 saw the departure of the OCM Operations Manager which lead a transfer of OCM operational and strategic activities to the PMO.	Lack of dedicated leads could negatively impact the effectiveness of the project team and reduce the quality of deliverables and system design. For example, executive leadership has deemed OCM as a top Phase 2 priority. The lack of a dedicated leader to drive and take ownership of the overall strategic OCM vision (measuring quality and progress and who can be a point of escalation when issues arise) could diminish OCM effectiveness and overtax PMO resources. This risk could be "hidden" due to the commitment and dedication of team members who lead multiple tracks/areas, however, failure to recognize the need to fully staff the	• Evaluate which project resources are needed to allow for dedicated strategic leadership in key positions (e.g. OCM and Training) and to alleviate existing project resources with multiple project leadership responsibilities. • Assign a single, dedicated strategic management lead for key areas such as OCM and Training. • Create and utilize a resource management plan to assure planful, instead of reactive, addition and management of resources. Plan should address movement of resources as project transitions to different phases (e.g. moving from DD&I to M&O). • Formalize and document (e.g. org charts, POC lists/directories) all leadership roles and project points of contact for key areas and ensure stakeholders have easy access to comprehensive project role lists that include contact info.	10/31/19 - The project and business operations has added additional resources during this reporting period. IV&V will monitor for the narrowing of responsibilities for project leads so they can focus on leading their project functional areas. Due to recent problems with the Help Desk vendor contract, some functional area leads have taken on the additional burden of answering phones for the HIP Help Desk. This could further detract them from effectively leading their functional areas, therefore IV&V is raising this risk to a Medium priority. 9/30/19 - no update.	Human Resource Management	Risk	Medium	Open	Michael
8	8/31/2019	**Detailed processes to integrate Time & Leave Maintenance and Operations support with production Payroll support not finalized**	A strategy to integrate Time and Leave M&O with the ongoing Payroll M&O then transition support of both solutions to DAGS operations is not yet available.	The lack of a documented process to integrate Time and Leave M&O support with Payroll production support may cause unnecessary risk at Time and Leave Phase 1 go live. Changes to the current Help Desk support vendor was planned but stopped prior to execution. The lack of an executable strategy may be adding unnecessary risks to the Time and Leave project. IV&V has also logged a related risk (#4) that TL resources are over burdened with Payroll service M&O support activities.	• Develop and implement a long-term strategy for providing effective ongoing M&O support for both Time and Leave and Payroll solutions. This strategy should ensure that there is sufficient capabilities and capacity to provide the required support without drawing on resources already allocated to other projects.	10/31/19 - Long term support plans for TL have not been release. Current staffing, contractual and work load issue related to the support of HawaiiPay continue to dominate the support discussions. Project team members continue to spend significant amounts of time providing operations support for HawaiiPay. Although the TL team continues to provide sufficient support, the burden of this effort is not allowing them to focus on TL project concerns. This preliminary concern is being elevated to a risk. 9/30/19 - Payroll operations has recently indicated they have a plan/proposal for long term payroll system help desk support, however, this plan was not shared with the project team even though the project currently manages the payroll system help desk for payroll operations.	Operational Readiness	Risk	Low	Open	Ken

Id	Identified Date	Title / Summary	Finding Description	Analysis and Significance	Recommendation	Updates	Category	Type	Priority	Status	Risk Owner
9	8/31/2019	**Unexpected collective bargaining or legislative changes could lead to unanticipated demands on the project and increased scope**	Changes mandated by Unions or Legislative actions may drive changes to the TL solution thereby impacting the project's scope, schedule, and budget.	The State Legislature and Unions may make laws or change Collective Bargaining Agreements (CBA) that could require significant system changes thereby disrupting the project's progress, activities, schedule, and/or budget. These laws could change SOH processes without consideration of impact to the project or providing the project time to react to such changes.	• Closely track union/legislative actions and legal cases that could impact the T&L project and be proactive in preparation for them. • Initiate early and often discussions with Unions for rule clarifications and general understanding and agreements on how CBA rules will be implemented.	10/31/19 - Union consultation letters have been sent requesting individual union meetings to resolve outstanding issues and clarify CBA rules. The project plans to setup meetings between 10/28-11/8/19, fire fighter and HSTA union meetings have already been scheduled. Waiting on UPA, HGEA (AFCME), and UPW. 10/25/19 - DHRD leadership has expressed concern around risks related to unions response to changes to existing TL processes the TL project will impose. For example, project attempts to standardize TL processes could negatively impact some of their constituents. The project has stated the intend to make every attempt to ensure minimal disruption to employees and will work closely with the unions to minimize the negative union reactions. 10/22/19 - The project has initiated the formal process for union consultation and has begun sending consultation letters to unions. The intent of these consultation meetings is for project Q&A and to clarify CBA rules the project will implement in the new TL system.	Project Organization & Management	Risk	Low	Open	Michael
11	8/31/2019	**Collective Bargaining Agreements (Union time/leave rules) complexity could prove problematic and lead to project delays and result in an overly complex system that may be difficult to support**	Collective Bargaining Agreements (CBA) drive time and leave rules and are very complex. Rule complexity may have led to departments inconsistent rule interpretation.	Implementation and long-term support of an extensive set of complex rules could prove to be difficult to implement and manage/support long-term. Further, inconsistent rule interpretation could lead to extensive OCM efforts and some departments may struggle to adopt clarified CBA rules and require the project to initiate extensive OCM efforts to assure departmental adoption of clarified rules implemented in the new system are feasible and are managed effectively.	• Continue efforts to document and track CBA rules that may need clarification for departments. Socialize a list of union discussion topics with stakeholders so they are aware and can validate and provide comments. • Initiate early and often discussions with Unions for rule clarifications and general understanding and agreements on how CBA rules will be implemented by departments (process-wise) and in the system.	10/31/19 - Project is currently maintaining a list of union/CBA issues and are in the process of scheduling union meetings to discuss and clarify complex rules. 9/30/19 - The project seems to be making good progress in vetting CBA rules and has had productive discussion regarding the more complex/problematic rules.	Project Organization & Management	Preliminary Concern	n/a	Open	Michael

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12	8/31/2019	**Potential lack of consideration for unexpected or unintended impacts on payroll functionality when making T&L design decisions or configurations, could necessitate rework of T&L designs and/or impact Payroll quality**	System and configuration changes required to support the Time and Leave functionality may include unexpected impacts to the current Payroll solution. It is unclear how the changes will be managed and what level of regression testing may be necessary.	While the project team has plans to address the risk of Time and Leave changes that could impact the payroll system, due to the system complexity and the significant number of PeopleSoft customizations in the current system, there could be unexpected negative impacts on the Payroll system when T&L is implemented in the current system. The project also intends to implement regression testing, however, it could be difficult to account for and test for unexpected impacts to the system due to the high level of customizations in the existing system.	• Ensure that the configuration and functionality changes required for Time and Leave are vetted with the current Payroll solution to determine any impact or required changes to the Payroll solution during the Time and Leave design and testing phases. • Define and document the regression testing plan to ensure that any T&L changes do not have an unexpected negative impact on production Payroll functionality. • Assure Time and Leave design and configuration planning includes consideration for impacts on Payroll, prior to implementing the design or configuration. This may be accomplished, in part, using an effective and integrated configuration management plan.	10/31/2019 The project noted that regression test plan will be available in upcoming reporting periods. Current efforts to ensure that both teams (CRT operations and the TL project team) are up to speed with TL design or configurations that may affect HawaiiPay.	Quality Management	Preliminary Concern	n/a	Open	Ken
13	9/30/2019	**Departments choosing not to participate in the TL project could lead to unnecessary costs to the state as well as project team wasting valuable time to onboard departments who eventually decide to opt-out.**	Departments choosing to opt-out of the TL project will require DAGS to continue to maintain the system for inputting gross pay (ePCS) that was intended to be a temporary solution until TL was implemented. IV&V is not aware if budgets, resources, and plans to continue ePCS support beyond TL project completion have been developed. Further, departments could initial decide to participate in TL and the project team could expend significant resources preparing for and implementing department specific features only to find out that they will opt-out.	Costs to continue to maintain/support ePCS could be significant and already constrained DAGS and project resources may have difficulty maintaining ePCS support. If departments opt-out, a good deal of project team time and effort could be wasted supporting their onboarding and implementing their department specific features. Resources may also need to be expended removing these department specific features. If departments decide at a later date to opt in, a new RFP will likely need to be issued at significant cost to the state and be a significant effort for DAGS. Further, the ongoing workload and costs for both the DAGS operational and project team could be significant given they will now be tasked with maintaining two systems for payroll and may have to contend with the possibility that the two systems could calculate payroll differently. Ultimately, the original expected return on investment (ROI) for the project could be diminished and draw scrutiny from the public and governing bodies (e.g. legislature) and make it difficult to acquire funding for future planned systems (ERP and other).	• Contingency planning for ePCS maintenance and support should be developed to prepare for the possibility that some departments may not participate in TL. • Work closely with departments that are unsure of their TL participation to assist with readiness and collaborate to remove any blocks to their full participation. • Develop contingency plans for the possibility that some departments may not participate in TL. • Assure that executive leadership is made aware of details of the negative impacts of departments that chose to opt-out. • Initiate efforts to mitigate risks around having 2 payroll systems that may calculate payroll differently.	10/31/19 - DHRD has initially stated their intention to op-out of utilizing the TL system as their system of record for Time and Leave. New details around onboarding DOE may indicate that bringing them onboard for TL could prove difficult if not insurmountable.	Project Organization & Management	Risk	Medium	Open	Michael

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14	9/30/2019	**Communications between the project and central operations groups (primarily HR and Payroll Operations) can be ineffectual which could lead to project delays and cost overruns.**	While the project has demonstrated productive communications with state line agencies (departments), primarily due to their department mentor strategy, IV&V has observed and has also been informed of communication challenges between the Project Team and central operations business units (primarily HR and Payroll Operations). IV&V was also informed that some business operation plans relevant to the project are not immediately being shared with the project team. Some business operations teams have stated their capacity is constrained due to lack of sufficient resources as well as challenges in filling open positions. However, even simple or basic project communications appear to go unanswered.	Central operation groups failure to fully engage and effectively communicate with the TL project team can slow project team productivity, leave important questions (guidance) unanswered, and result in a system that does not effectively meet business needs which could ultimately lead to project delays and disrupt business operations and users post-go live. The SI has already indicated that project delays will incur additional cost and may require additional state funding.	• Work with executive leadership and central operations groups to address the root cause of these communication challenges and prepare a plan/strategy for corrective action. • Log unresponsive communications in order to provide stakeholders with a clear understanding of the extent of communication deficiencies. Escalate to executive leadership where appropriate. • Work with HR and Payroll Operations (PO) to identify an appropriate resource from their departments and integrate them into the project team. This highly capable and productive single point of contact would ideally own their department/division activities and risks and would work within their department to ensure project tasks are completed in a timely manner and department needs are clearly identified and communicated to the project.	10/31/19 - IV&V has recently received additional details as to the extent of these communication challenges and is therefore raising this finding to a Medium Risk, but will monitor the results of recent plans for improvement. As of 10/23/19, Payroll Operations (PO) has replaced their project point of contact (POC) that attends the project RIOD meeting and has stated their intention to expand this role to increase TL project engagement. IVV has already observed an increase in productive project/PO communications. IV&V will also continue to monitor DHRD's latest commitment to improve communications, to assure TL/DHRD working sessions prove effectual. 10/25/19 - The project met with DHRD to address admitted ongoing communication challenges. Among other concerns, DHRD has expressed frustration that HRMS permissions have been reduced due to executive decisions related to Phase 1 which has led to a significant increase in DHRD workload. The project has committed to initiating working sessions with DHRD to resolve their	Project Organization & Management	Risk	Medium	Open	Michael
15	9/30/2019	**Key project risks and issues management and escalation processes may not be effective.**	Some risks and issues currently tracked in the RIOD process may not be actively worked or reported on. For example, the project is currently tracking several risks owned by payroll operations that show little to no progress. The lack of progress may unnecessarily cause a risk to be triggered into an issue that could have lasting negative impacts to the project.	Although the project actively and appropriately recognizes, tracks and monitors risks and issues. Some risks assigned to non-project resources are not showing consistent updates or progress. It is unclear if the project has formally escalated this lack of progress, based on good risk management practices, or if escalation has proved to be ineffective. IV&V will continue to monitor the risk and issues management process to help assure regular updates to the current status of the action items associated to these risks as well if any escalation has been formally requested.	• Establish a clear and detailed risk management plan for escalating risks and issues and follow defined escalation steps for risks/issues that are not actively being worked. • Monitor risks and issues by severity and due date in order to ensure RIOD meetings focus on the most critical items.	10/31/2019 The project reported that additional DAGS operations staff will be attending weekly RIOD meetings. The additional staff may help to reduce the open risks. IV&V will continue to monitor RIOD meetings to determine if risks and issues are being addressed in a timely manner.	Project Organization & Management	Preliminary Concern	n/a	Open	Ken

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16	10/30/2019	**Insufficient tracking of critical path can lead to unexpected delays and leave the project team with little time to respond to slippage**	While the project is cognizant of critical path tasks there is no formal or automated tracking of the project critical path. Though the project schedule is currently being tracked in SmartSheets, they have yet to utilize the critical path (dependencies) tool features. The project has stated their intention to implement critical path in the tool in December with the full Group 1 deployment schedule.	Failure to effectively track project critical tasks and understand the impact of critical path task slippage can lead to unexpected delays and leave the project team with little time to respond to slippage that could lead to slippage of critical milestones and go-live dates. The SI has already indicated that project delays will incur additional cost and may require additional state funding.	• Track critical path tasks utilizing an automated scheduling tool with linked dependencies. • Leverage critical task reporting and monitoring to ensure planful responses to slippage in the critical path.		Project Organization & Management	Preliminary Concern	n/a	Open	Michael