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July 7, 2020

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 (Jul 8, 2020 14:51 HST)

DOUGLAS MURDOCK
Chief Information Officer
State of Hawai'i

Attachment (2)

Time & Leave Project

Phase II of the HawaiiPay project

Department of Accounting and General Services (DAGS)

IV&V Monthly Status Report – **Final**

For Reporting Period: **May 1 – 31, 2020**

Draft Submitted: June 22, 2020

Final Submitted: June 30, 2020

PUBLIC CONSULTING GROUP

Solutions that Matter

Overview

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

On May 4th, the project completed a successful Group 1 Go-live. User feedback has been largely positive, and the project is taking steps to apply lessons learned to the larger, more complex, Group 2 release. The project continues contingency planning for the impacts of COVID-19 that include potential furloughs, the recent state-wide "sweep" (elimination) of vacant positions, remote stakeholders, and other effects of budget cuts. As a result, the project has moved Group 2 go-live from October to December 1, 2020. Funding for the HIP Service Center staffing is currently at risk as it draws funding from vacant position savings that have now been swept. The project is also contending with a class grievance recently filed by a union with regard to standardization of pay calculations. IV&V remains concerned with possible further impacts of COVID-19 that could hinder project activities and the lack of an effective operations management plan for Payroll and post go-live TL support.

	Category	IV&V Observations
⬆ M	Human Resources Management	The project continues to leverage the newest team members to reduce the reliance on overtaxed project resources. Additional responsibilities have been transferred to both the OCM and Testing/Training lead for Group 2 activities including updating OCM and training plans based on Group 1 feedback and lessons learned. The project is contingency planning for the impacts of COVID-19 and potential State budget cutting activities as they relate to project resources. Enactment of a 1-2 day/week furlough could weigh heavily on an already constrained project team as they try to meet project deadlines. The project has appealed for a furlough exemption for the project team with the rationale that it would likely cost the State more in long run to extend the contract than they would save from furloughing the project team. The project has also speculated that pay cuts could lead some project team members to retire which could leave the project scrambling to replace them and lead to a permanent loss of institutional knowledge. The Project team has reported that they are already working overtime to ensure the project stays on track and systems run smoothly. IVV is currently monitoring impacts to the project team with the recent replacement of the Payroll Operations liaison and the stalled efforts to fully staff the Technical Support Office (TSO). It is likely that staffing of the TSO could be further hindered due to the recent Legislative decision to "sweep" vacant positions. This sweep could also impact funding for the existing HIP Service Center as it draws funding from vacant position savings; the existing contract expires in August 2020. DAGS Accounting department has posted a solicitation for the post-August HIP Service Center contract; however, funding may not be available. Any reduction in staffing for the HIP Service Center will likely be backfilled by project team members and therefore poses a risk to the project schedule and budget. Project team is already being tapped to assist with COVID-19 related payroll system changes. IV&V has raised this category risk to "Medium".

Executive Summary (cont'd)

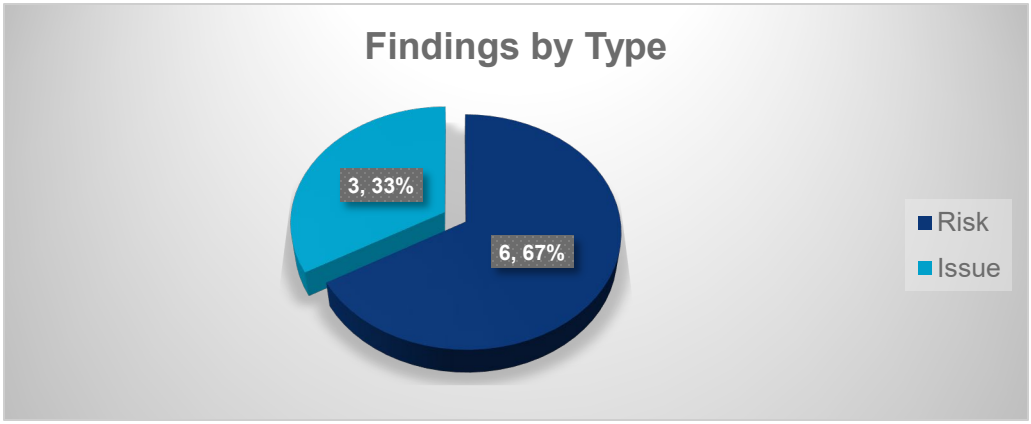
	Category	IV&V Observations
M	Knowledge Transfer	No significant increase in workload, related to the deployment of the TL functionality, for Project staff was identified. However, IV&V remains concerned that a reduction in help desk capacity due to budget cuts and potential staff furloughs may increase the workload on the project to help resolve Service Desk issues. As noted previously, IV&V remains concerned that the project team will be supporting TL Group 1 while attempting to execute tasks necessary for TL Group 2 go-live.
M	Operational Readiness	IV&V did not note any significant issues for the Group 1 go-live related to the state of readiness of either the project team or departments. IV&V will be closely monitoring Group 2 readiness activities as this group represents a significantly larger and more complex user base which includes the complexities of hourly worker timekeeping.
L	Organizational Change Management (OCM)	Group 1 post go-live feedback has been largely positive, and OCM communication activities appear to have proven effective. The project is addressing some reports of user frustration but have assessed this may be due to users not taking advantage of training and other support options or may have missed some project communications. The project is making efforts to revise their OCM and training plan and materials based on stakeholder feedback and lessons learned from Group 1. Project identified opportunities for improvement include finding ways to increase user engagement in OCM activities as well as updating training materials to include additional process/procedure context (TL controls, policies, deadlines), instead of just system navigation.

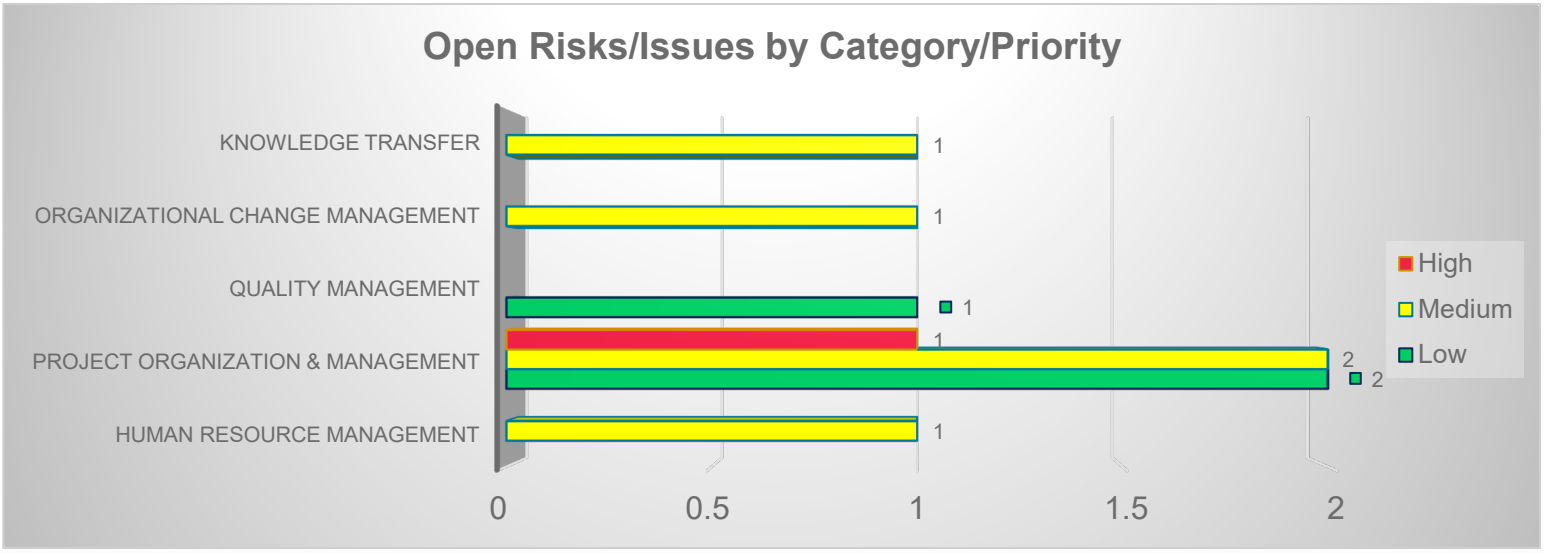
Executive Summary (cont'd)

	Category	IV&V Observations
M	Project Management and Organization	One of the State employee unions has filed a class grievance with DAGS about standardization of pay calculations that could, in their view, adversely affect its members. The project met with the union for consultation in October 2019 where no objections were reported; the project has reported union has been largely unresponsive to project communications since then. It remains unclear why the union would wait until 2 weeks before go-live to submit a grievance without further information gathering to clarify the impact to their members. Ultimately, through conversations with the comptroller, the union decided to put their grievance on-hold and await the outcome of Group 1 go-live. However, if the union decides to eventually move forward with the grievance process, impacts to the project could be significant. Possible outcomes could include an injunction that could halt the project or future planned releases or leave the project tied up in legal proceedings. The project is preparing contingency plans (related to COVID-19) for ensuring they can maintain project cadence and meet planned go-live dates. As a result, the project has moved Group 2 go-live from October to December 1, 2020. The project is also contingency planning for possible schedule slippage and a contract extension in the event they are unable to keep revised go-live dates.
L	Quality Management	IV&V noted that one or more defects related to existing payroll functionality, which may have been caused by the TL release, were reported and appear to have caused union dues for a subset of employees to not be withheld. This defect may have been detected with more robust system integration testing. It appears this defect is not related to the existing release update processes. IV&V also noted that the project utilized existing Service Desk procedures to identify and resolve the issue in a timely manner.

IV&V Findings and Recommendations

IV&V is currently tracking 9 findings (6 risks, and 3 issue) and closed 1 risk for this reporting period. Of the open risks/issues, 5 are related to Project Management. The following charts breakdown the risks by type and category/priority.





IV&V Findings and Recommendations (cont'd)

Summary of IV&V Open Risks/Issues Criticality

Category	Type	#	Finding Title	Criticality
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**	↑ Medium
Knowledge Transfer	Risk	4	**Payroll production support dependence on key Time and Leave Resources**	Medium
Operational Readiness	*Risk*	*8*	*Detailed processes to integrate TL M&O support with production Payroll support not finalized*	*Closing*
OCM	Risk	18	**Complexity of communications to end-users could lead to confusion at go-live**	Medium
Project Organization & Management	Risk	9	**Unexpected collective bargaining or legislative changes could lead to unanticipated demands on the project and increased scope**	↑ High
	Issue	13	**Departments opting-out of 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**	Low
	Issue	19	**COVID-19 State-wide shutdown could hinder project activities and negatively impact the project schedule and budget**	Medium
	Risk	15	**Key project risks and issues management and escalation processes may not be effective which may result in negative impact to project goals**	Low
Quality Management	Risk	20	**Inadequate release management processes could lead to user confusion and frustration**	Low

IV&V Findings and Recommendations (cont'd)

L Human Resource Management

#	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.	Medium

IV&V Findings and Recommendations (cont'd)

L Human Resource Management (cont'd)

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)

M Knowledge Transfer

#	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.	Medium

Recommendations	Progress
• Develop and implement 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
• Accelerate efforts to create and operationalize the Payroll Operations Technical Support Office (TSO) so that the project team can focus on TL project activities and ensure the TSO is ready to effectively support TL users before Group 1 go-live.	In progress

IV&V Findings and Recommendations (cont'd)

M Operational Readiness

#	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.*	*Closing*

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.	In progress

IV&V Findings and Recommendations (cont'd)

L Organizational Change Management

#	Key Findings	Criticality Rating
18	Risk - **Complexity of communications to end-users could lead to confusion at go-live and overwhelm the help desk:** The project has identified a significant number of different user groups to prepare separate communications for pre-go-live. Each user group will have different instructions for how they will prepare for and interact with the new and old payroll and TL system. For example, Group 1 users, non-Group 1 users, Single Sign On (SSO) users, and non-SSO users. Each user group combination may require unique communications, system preparation and go-live instructions. Communications to this many groups could lead to confusion pre- and post-go-live especially if they interact with other employees in different groups who have different instructions. Failure to effectively control these communications could lead to user confusion, reduced user buy-in, increased help desk calls, and negative public perceptions of the project ("bad press").	Medium

Recommendations	Progress
• Update the OCM strategy and plan to address challenging user interfaces that includes milestones/gates that get early user feedback to ensure they understand the complex elements of the system.	In progress
• Prepare a fully vetted communication plan for communications to the various user groups and begin early communications.	In progress

IV&V Findings and Recommendations (cont'd)

M Project Management & Organization

#	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.	High
13	Issue - **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)

M 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 central operations groups. 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.	Low
15	Risk - **Key project risks and issues management and escalation processes may not be effective which may result in negative impact to project goals**: 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.	Low
19	Issue - **COVID-19 State-wide shutdown could hinder project activities and negatively impact the project schedule and budget**: On 3/23/2020, the Governor issued a "stay at home, work from home order" that has reduced several departments ability to be fully functional as the large majority of state workers will be required work from home/remotely at least until the end of April and some offices may be completely shut down. Many project department readiness activities could be significantly hindered during this time. For example, leave balances can are paper-based and would require physical access in order to provide the project with accurate leave balances. Departments may be unable (due to stricter shutdown policies) or unwilling to perform these activities during this chaotic time. UAT and Training will more than likely be conducted remotely which could negatively impact these activities. Planned SI on-site visits will also likely be changed to remote.	Medium

IV&V Findings and Recommendations (cont'd)

M Project Management & Organization (cont'd)

Recommendations	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 wherever possible within the scope of the Time and Leave project.	In progress
• 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.	In progress
• 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
• Update the OCM Plan to include any new activities or updates to planned activities to address the impacts of COVID-19.	In progress

IV&V Findings and Recommendations (cont'd)

L Quality Management

#	Key Findings	Criticality Rating
20	Risk – **Inadequate release management processes could lead to user confusion and frustration:** The project team has stated that existing release management processes may be incomplete and/or lack clear responsible parties for release communications. If release manage procedures are unclear or if the execution of release procedures lack sufficient rigor, this could lead to missteps that could frustrate users and lead to user confusion. This could ultimately lead to reduced user buy-in, reduced departmental leadership (and legislative) project support, and a negative public perception that could be picked up by the local media (aka "bad press").	Low

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.	In progress
• 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
• Revisit and clarify existing release management processes and procedures and ensure clear owners of each release activity.	Not started

IV&V Status

- **IV&V activities performed during the reporting period:**
  - Attended Scrums
  - Attended PCAB meeting
  - Attended RIO-D meetings
  - Led Project Team Risk Review sessions
  - 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**

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.

Solutions that Matter

Id	Title / Summary	Finding Description	Analysis and Significance	Recommendation	Updates	Category	Type	Priority	Status	Risk Owner	Identified Date
4	**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 transition plan to allow the Time and Leave key resources to share their knowledge while significantly reducing the time spent on providing Payroll support. • Accelerate efforts to create and operationalize the Payroll Operations Technical Support Office (TSO) so that the project team can focus on TL project activities and ensure the TSO is ready to effectively support TL users before Group 1 go-live.	05/31/2020 No significant increase in workload, related to the deployment of the TL functionality, for the Project team was identified. However, IV&V remains concerned that a reduction in operation staff and help desk support capacity due to potential COVID-19 related staff furloughs or budget cuts may increase the workload on the project to help resolve Service Desk issues. 04/30/2020 IV&V noted a continued decrease in unexpected workload to due requests for aid in resolving HawaiiPay Service Center support requests. The overall unexpected burden on TL team members appears to be at an "acceptable" level and does not appear to overburden the TL key team members. However, IV&V remains concerned that once TL Group 1 goes live, the level of Service Center support requests may hider progress required to support the TL Group 2 go live. 03/31/2020 IV&V has noted a decreased workload related to HIP Service Center support requests that require Time and Leave project resources. The staffing of the TSO, increased performance of the HIP Service Center personnel, extension of the HIP Service Center support contact as well as the increasing stability of the HIP Payroll solution has reduced the support burden for the Time and Leave Team. However, the project has identified a risk around the required overlap of resources to support Group 1 post go-live while performing Group 2 implementation activities. This could impact the productivity and quality of both efforts. 02/29/2020 - As reported previously, IV&V expects a significant increase in both the volume and nature of calls to the HIP Help Desk. In an attempt to address this, the project team has increased staff and reassigned resources to focus on key project activities while still responding to requests for assistance from the HIP Help Desk. IV&V remains concerned that this unexpected workload may continue to unnecessarily burden the TL project team, however, it has not affected the project's schedule or quality of deliverables. Efforts to stand up a fully staffed TSO appear to have stalled. TSO duties are currently being supported by a single Payroll Operations resource. 01/31/2020 - DAGS operations is in the process of extending the current HawaiiPay Help Desk contract for an additional 180 days beyond the current contract expiration date. This will help to provide continuity for Help Desk staff as they take on additional support for the Time and Leave functionality. IV&V noted that the Help Desk is likely to see a significant increase in the number of support requests once the first group of Time and Leave departments go live. IV&V also noted that this likely increase in support requests may continue to burden Time and Leave project staff. Although, the Time and Leave staff have successfully compensated for this unexpected workload, the volume and type of support required for Time and Leave may not allow this to continue.	Knowledge Transfer	Risk	Medium	Open	Ken	8/31/2019
5	**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 presents a risk of significant project disruption in the event of their departure. Attempts by other DAGS divisions to lure project team resources away have been reported, however, most project team members have indicated they are committed to project completion. Failure to staff the project to sufficient levels, thereby stretching them beyond their capacity, can lead to lack of job satisfaction, decreased productivity, decrease in quality, and increases the probably they could make critical mistakes that could negatively impact the project.	• 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.	05/31/20 - The project continues to leverage the newest team members to reduce the reliance on project resources that could be overtaxed. Additional responsibilities have been given to both the OCM and Testing/Training lead for Group 2 activities including updating OCM and training plans based on Group 1 feedback and lessons learned. IVV is currently monitoring impacts to the project team with the recent replacement of the Payroll Operations liaison and the stalled efforts to fully staff the TSO. It is likely that staffing of the TSO could be further hindered due to the recent Legislative decision to "sweep" vacant positions. This sweep could also impact funding for the existing HIP Service Center as it draws funding from vacant position savings; the existing contract expires in August 2020. DAGS Accounting department has posted a solicitation for the post-August HIP Service Center contract; however, funding may not be available. Any reduction in staffing for the HIP Service Center will likely be compensated by project team members and therefore poses a risk to the project schedule and budget. Therefore, IV&V is raising this risk to a "Medium". 04/30/20 - The project has added a OCM Lead to their team who is poised to enhance OCM for the more complex Group 2 release. Their hope is that though Group 2 will be a more significant undertaking than the smaller user base of Group 1, lessons learned from Group 1 will improve Group 2 efforts. The projects addition of a Training/Test Lead has also provided further relief to overtaxed resources. Payroll Operations liaison continues to progress and reduce the reliance on project team members for payroll operations support. As the project team has reported they are no longer being overtaxed, therefore, IV&V has lowered the risk priority to "Low". '03/31/20 - New resource productivity continues to progress and efforts to offload key resource responsibilities, thus far, appear to be successful. Executive management is working on improving operational efficiencies and is working to address staffing issues. 02/29/20 - With the addition of additional resources the project appears to be less reliant on some key individuals. The TL PM has reportedly been able to offload some responsibilities and new resource productivity appears to be progressing. Some resources have shown a marked increase in capabilities and taken on leadership roles. As a result, mitigation of risks around the projects (previously reported) loss of a key project resource continue to progress. 01/31/20 – The project has now added 4 additional resources since the departure of their key lead BA, adding additional	Human Resource Management	Risk	Medium	Open	Michael	8/31/2019

Id	Title / Summary	Finding Description	Analysis and Significance	Recommendation	Updates	Category	Type	Priority	Status	Risk Owner	Identified Date
9	**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.	05/31/20 - HGEA has filed a class grievance with DAGS with regard to standardization of pay calculations that could adversely affect its members and therefore objected to the project moving forward with go-live. The project met with HGEA for consultation in October 2019 where no objections were reported; the project has reported HGEA has been largely unresponsive to project communications since then. It remains unclear why HGEA would wait until 2 weeks before go-live to submit a grievance without further consultation and information gathering to clarify the impact to their members. Ultimately, through conversations with the comptroller, the HGEA decided to put their grievance on-hold. However, if the HGEA decides to eventually move forward with the grievance process, impacts to the project could be significant. Possible outcomes could include an injunction that could halt the project or future planned releases or leave the project tied up in legal proceedings. Therefore, IV&V is raising this Issue to a "High". 04/30/20 - The project continues to assess and prepare for expected changes to the Payroll and TL system due to the COVID crisis and the CARES Act. There are some indications that the state may reduce worker salaries which will require some support from the project team. One union has complained that it is their perception that the project is implement changes that could impact employee salaries. Project leadership has drafted a memo to some unions to clarify that the only changes to payroll will be the result of the consistent and standardized application of existing CBA rules. Some unions remain largely unresponsive to project communications. 03/31/20 - The project is in the process of addressing recent changes to leave processing as a result of the government's response to the COVID crisis including addition of new leave types and rules. Early indications are that these changes will not materially impact project scope, schedule, or budget. 02/29/20 - The project has stated their intention to avoid "over automation" of some CBA rules to give users flexibility to adjust processes manually as needed to address nuances in CBA rules. 01/31/20 – The project continues to work through a few union related matters but none of them currently appear to be material. Additional union meetings are being planned. 12/31/20 - The project continues to have productive consultation meetings with stakeholder unions and has recently met with UPW and HGEA unions. Initial concerns that unions would push back on project efforts to standardize and streamline processes, thus far, have not been realized. Still, while annual pay may not be affected, monthly paycheck amounts could vary for some employees due to working day rate fluctuations. The project has stated their OCM efforts will address this. The project will seek final Union approval for changes being discussed before the May go-live date.	Project Organization & Management	Issue	High	Open	Michael	8/31/2019
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.**	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.	05/31/20 - The Judiciary department and HHSC have yet to opt-in for the project. The project has provided formal and clear communication to DOE that details required readiness activities for them to be included in group 3 or 4 go-live. DOE has yet to respond. 04/30/20 - Judiciary has not provided a clear opt-in/out decision to the project and may assume they will opt-out if no further direction is given. However, this should not materially impact the project at this point as the project team has paused Judiciary onboarding efforts. 03/31/20 - UH has indicated they will opt-out of the TL project and pursuit their own in-house TL system. DOE has indicated they would like to pursuit an opt-in but will need to plan for a group rollout that does not conflict with the beginning of their school year. Planned DAGS opt-in/out discussions with DOE as well as some other departments have been postponed due to the COVID crisis. 02/29/20 - Project executive leadership continues to work with some departments that are considering an opt-out of the TL project to solidify their decisions. The project is weighing their options with regard to whether a Group 4 release is needed if departments currently slated for Group 4 decide to opt-out. The project is in discussions with the SI with regard to a possible swap of Group 4 release requirements for other much needed system enhancements. 01/31/20 – Project executive leadership will meet with department leaders that are considering an opt-out of the TL project in order to get closer to finalizing their decision. Finalizing these decisions will help free up the project team to focus their efforts on departments that have opt-in. 12/31/19 - The project has reported that it is highly likely that some departments will not participate in the TL project/system, therefore IV&V has raised this finding to an issue. The project is preparing for the eventuality that the project team and payroll operations will need to maintain 2 different processes for processing TL and payroll. The project (and DAGS) is making efforts to plan for and properly staff these processes. The project is also looking for ways to make operational support processes more efficient including weening users off dependence on the labor intensive Data Mart mainframe system by transitioning them to PeopleSoft for some reporting. The project continues to support operational readiness activities for departments that may op-out of the TL project. State budget impacts remain unclear. 11/30/19 - Early indications are that DOE and UH may have significant challenges with migrating to the TL system. DOE has indicated that mobile access to the TL system could be a critical requirement, however, this would require they adopt an Multi-factor Authentication (MFA) solution that is a significant recurring expense. Further, onboarding their employees	Project Organization & Management	Issue	Medium	Open	Michael	9/30/2019

Id	Title / Summary	Finding Description	Analysis and Significance	Recommendation	Updates	Category	Type	Priority	Status	Risk Owner	Identified Date
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.**	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.	05/31/20 - The project is currently working to establish productive communications with DHRD with regard to opportunities to improve system stability and functionality by backing out some DHRD PeopleSoft customizations. Some of these customizations were implemented as work arounds that may no longer be necessary due to recent improvements to the system. IVV had previously noted improvements to project/Payroll Operations communications due to the addition of a PO liaison. However, this liaison has gone on an extended (~12-week) leave and is being replaced. IVV will continue to monitor for productive communications. Efforts to fully staff the TSO could be further hindered by a recent Legislative decision to "sweep" vacant positions. This sweep could also impact funding for the existing HIP Service Center as it draws funding from vacant position savings; the existing contract expires in August 2020. DAGS Accounting department has posted a solicitation for the post-August HIP Service Center contract; however, funding may not be available. 04/30/20 - The project/DHRD communications continue to improve. Project/Payroll Operations communications appear to be sufficient mostly due to the efforts of the established Payroll Operations liaison resource that facilitates better communications between the 2 groups. 03/31/20 - The project continues to report productive project/DHRD communications, however, the project has reported that some project/Payroll Operations communication challenges continue. Project leadership has stated that communications thus far are sufficient to meet project needs, therefore, IV&V has reduced this risk to a "Low". 02/29/20 - The project has reported some productive project/DHRD collaborative sessions. However, the project has also reported that while some project communication challenges with DHRD and Payroll Operations continue, they have noted that they have been able to work around these challenges to obtain critical information so as to avoid hindering project progress. IV&V remains concerned that these communication challenges will at some point have a significant negative impact on the project. For example, after multiple requests to DHRD, the project has not yet received executive orders that could impact TL business rules. 01/31/20 – The project has reported that some communications with DHRD and Payroll Operations (PO) have been productive, but other communications may be challenged. Progress continues to be made in efforts to engage with DHRD on the TL project. DHRD had previously reported they may opt-out of utilizing the TL system as their TL system of record, however, they have recently indicated their intention to opt-in. DHRD efforts to identify potentially problematic process changes have reportedly increased. However, action items owned by DHRD continue to show no progress and they remain unresponsive on some communications. IV&V recommends project leadership request DHRD provide timely initial acknowledgement of project emails to ensure emails are being received. IV&V also recommends the project clarify the importance of some DHRD responses and/or decisions that are time sensitive and that could impact project critical path	Project Organization & Management	Risk	Low	Open	Michael	9/30/2019
15	**Key project risks and issues management and escalation processes may not be effective which may result in negative impact to project goals.**	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 as 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. • Track critical path tasks and report (early and often) to tasks owners when due dates appear to be at risk.	05/31/2020 IV&V noted concerns that the project's ability to manage risks may be affected by the diminished capacity and availability of key project leaders and sponsors due to managing the impacts of COVID in their organization; this could worsen if the state enacts staff furloughs and further cuts their budgets. 04/30/2020 IV&V noted continuing improvement in overall risk management. Key risks related to Service Center RFP, SSO, FHB Clearing Account, TSO branch staffing and others that may be beyond the control of project resources, are being successfully addressed. Executive leadership capacity to manage future escalated risks and issues may potentially be limited due to increased workload related to COVID. 03/31/2020 IV&V noted that efforts to resolve the risks related to SSO are under way. Weekly calls between the CISO and CIO appear to be making progress. 02/29/20 - The project has noted continuing SSO initiative delays. Attempts to escalate have not always achieved timely results. However, IV&V remains unclear whether there are significant "behind-the-scenes" efforts underway to resolve issues that are hindering this initiative. 01/31/2020 Key risks have been escalated based on the established governance plan. Although some of these risks have not yet been fully addressed, the process to manage, escalate and report on these outstanding risks appears to be functional. IV&V will continue to monitor for comprehensive risk management and stakeholder timely response to escalation of risks. 12/31/19 - The project has reported progress in escalation of risks to executive management. With the recent loss of a key project resource, executive management has taken steps to address related project risks, including mobilizing Payroll Operations to take on additional payroll operations support responsibilities. Still, other risks have not been fully addressed, including risks around the help desk contract procurement (see risk #8). 11/30/2019 - IV&V noted that the focus to resolve outstanding operational risk and issues increased in this reporting period. Project leadership worked with project sponsors to facilitate resolutions to open issues and improve the process to address new issues. IV&V will continue to monitor the risk management process and report accordingly. 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	Risk	Low	Open	Ken	9/30/2019

Id	Title / Summary	Finding Description	Analysis and Significance	Recommendation	Updates	Category	Type	Priority	Status	Risk Owner	Identified Date
18	**Complexity of communications to end-users could lead to confusion at go-live and overwhelm the help desk**	The project has identified a significant number of different user groups to prepare separate communications for pre-go-live. Each user group will have different instructions for how they will prepare for and interact with the new and old payroll and TL system. For example, Group 1 users, non-Group 1 users, Single Sign On (SSO) users, and non-SSO users. Each user group combination may require unique communications and system preparation and go-live instructions.	Communications to this many groups could lead to confusion pre- and post-go-live as they interact with other employees in different groups who have different instructions. Failure to effectively control these communications could lead to user confusion, reduced user buy-in, increased help desk calls, and negative public perceptions of the project ("bad press").	• Project work quickly to prepare a fully vetted communication plan specifically for these communications. • Project implement a strategy of "over-communication" to assure clear and effective communication to the various user groups. • Project implement a strategy for validating a proper and clear understanding of user group instructions pre-go-live and adjust communications based on feedback. • Project explore sending communications to non-Group 1 users to assure their understanding and clarify possible points of confusion.	05/31/20 - Post go-live feedback has been mostly positive and OCM communications appear to be effective. The project is addressing some reports of user frustration but have assessed this may be due to users not taking advantage of training and other support options or may have missed project emails. The project is making efforts to revise their training plan and materials based on stakeholder feedback and lessons learned from Group 1. Opportunities for improvement included finding ways to engage users during training to include more process/procedure context (TL controls, policies, deadlines), instead of just system navigation. The project is considering taking over training for the SI and swapping this scope of work for other SI system enhancements. 04/30/20 - As the project prepares for May Group 1 go-live, the project appears to be making good progress with their execution of their OCM plans. Broadcast employee communications have been sent and they are conducting virtual townhall meetings. 03/31/20 - Project OCM communications efforts continue to progress as they plan for and craft communications to different user groups. The project has plans to initiate remote (due to COVID) Townhall meetings with user groups to increase engagement, awareness, and instruction. 02/29/20 - The project has reported that communication complexity are likely to be further exacerbated due to the lack of a consistent implementation of Single Sign-On throughout the state. Efforts are underway to resolve some SSO technical challenges that, if not resolved, could further exacerbate this risk. With the addition of new resources, the project has recently stepped up OCM efforts and has formulated what they are calling their "marketing team" that have been tasked to drive OCM communication and other activities. The project has also stated their intention to get ahead of this risk and will create an OCM Plan which will include a detailed communications schedule to help mitigate OCM risks. IV&V has elevated this finding from a "preliminary concern" to a medium "risk".	Organizational Change Management	Risk	Medium	Open	Michael	1/31/2020
19	**COVID-19 State-wide shutdown has hindered project activities and negatively impact the project schedule and budget**	On 3/23/2020, the Governor issued a "stay at home, work from home order" that has reduced several departments ability to be fully functional as the large majority of state workers will be required work from home/remotely at least until the end of April and some offices may be completely shut down.	Many project department readiness activities could be significantly hindered during this time. For example, leave balances can are paper-based and would require physical access in order to provide the project with accurate leave balances. Departments may be unable (due to stricter shutdown policies) or unwilling to perform these activities during this chaotic time. UAT and Training will more than likely be conducted remotely which could negatively impact these activities. Planned SI on-site visits will also likely be changed to remote.	• Identify departments that are able/willing to participate in Group 1 deployment and complete Group 1 readiness activities and assign them to Group 1 deployment. • Ramp up efforts to encourage and assist departments to become highly functional with remote access technology (e.g. MS Teams/Skype), as UAT and Training will more than likely be conducted remotely. • Update the OCM Plan to include any new activities or updates to planned activities to address the impacts of COVID-19. • Send broad communications to stakeholders to assure clear understanding of changes to the project with this regard as well as clarifying communications as to what will remain the same. • Assess stakeholders effectiveness in relying on remote access.	05/31/20 - The state legislature is currently contemplating implementing 1-2 day/week furloughs as well as salary cuts for state workers to make up for budget shortfalls due to COVID. Payroll/TL support teams are making preparations to implement these changes in the payroll system if need. The project is preparing contingency plans for ensuring they can keep project cadence and meet planned go-live dates. However, the project is also preparing for a possible schedule slippage and a contract extension in the event they are unable to keep existing planned go-live dates. The project has appealed for a furlough exemption for the project team through a budget impact statement with the rationale that it would likely cost more in long run to extend the contract than they would save from furloughing the project team. Other legislative budget cutting measure include the state-wide "sweep" or elimination of vacant positions. Not only will this further hinder efforts to fully staff the TSO (Payroll/TL system operational technical support office) but this sweep could also impact funding for the existing HIP Service Center as this contract is being funded by vacant position savings. The existing contract expires in August 2020. DAGS Accounting department has posted a solicitation for the post-August HIP Service Center contract, however, because of this, funding may not be available. The project has speculated that pay cuts could lead to some project team members to retire and leave the project scrambling to replace them and could lead to a permanent loss of institutional knowledge. The Project team has reported that they are already working overtime to ensure the project stays on track and systems run smoothly; this may not be sustainable. 04/30/20 - The project appears to be making progress in addressing the impacts of this crisis. Efforts are being made to assure stakeholders are proficient with remote (work from home) tools. They also sent a survey to stakeholders to validate effectiveness of virtual tool training with good results. 03/31/20 - The project continues progress according to schedule despite the stay at home order. However, many project stakeholders have competing priorities as they contend with this crisis. IV&V has a concern that once stakeholders return to their offices, they will likely be inundated with tasks that have been on hold due to the crisis. The project is making efforts to assure readiness for remote (MS Teams) stakeholder participation. Previously planned printed documentation will now be distributed electronically. Project leadership recognizes risks related to COVID and has reduced the number of departments participating in Group 1. IV&V is raising this to a Medium Risk.	Project Organization & Management	Issue	Medium	Open	Michael	3/30/2020
20	**Inadequate release management processes could lead to user confusion and frustration**	The payroll system recently implemented a new PeopleSoft platform organization structure for some departments as part of a cleanup effort prior to TL system Group 1 go-live. Changes such as these typically involve extensive communications to users that rely on this structure for maintaining their HR records. However, thorough communications and instructional documents were not sent to users prior to implementing this change in the system. Several users complained to DHRD and then to DAGS when they were surprised to find these changes have been made. Other stakeholders have previously stated their perception that, at times, changes are made to the payroll system without sufficient notification. The project team has stated that existing release management processes may be incomplete and/or lack clear responsible parties for release communications.	HawaiiPay (payroll system) and TL system currently share the same release management processes and personnel. If release manage procedures are unclear or if the execution of release procedures lack sufficient rigor, this could lead to missteps that could frustrate users and lead to user confusion. This could ultimately lead to reduced user buy-in, reduced departmental leadership (and legislative) project support, and a negative public perception that could be picked up by the local media (aka "bad press").	• Revisit and clarify existing release management processes and procedures and ensure clear owners of each release activity.	05/31/2020 IV&V noted that although defects related to the Payroll functionality were reported, no significant impact, related to change control processes were reported. IV&V continues to recommend controls to ensure all steps and communications required for new solution release are completed and documented prior to the release of new system features to the end user population. 04/30/2020 IV&V noted that it remains unclear if sufficient controls, related to Release Management, are in place to ensure that all the prerequires, communications and training have been executed successfully prior to the release of new functionality or configuration changes.	Quality Management	Risk	Low	Open	Ken	3/30/2020