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OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | KE'ENA HO'OLANA 'ENEHANA
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April 9, 2026

The Honorable Ronald D. Kouchi
President of the Senate
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha Senate President Kouchi, Speaker Nakamura, 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 10 days of receiving the report, please find attached the report the Office of Enterprise Technology Services received for the State of Hawai'i, Department of Labor and Industrial Relations (DLIR) Hawai'i Unemployment Insurance Modernization (Hui Huaka'i) Project

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

Sincerely,

Christine M. Sakuda
Chief Information Officer
State of Hawai'i

Attachments (2)



HUI Huaka'i Project

Department of Labor and Industrial Relations (DLIR)

IV&V Monthly Status Report – **[Final]**
For Reporting Period: **[January]**

Draft Submitted: February 5, 2026

Final Submitted: March 2, 2026

Overview

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



Executive Summary

The background is a solid blue color. It features several abstract geometric shapes, including squares and rectangles, some of which are outlined in white and others are filled with a lighter shade of blue. These shapes are scattered across the page, with a higher concentration on the left side. The text 'Executive Summary' is centered horizontally and positioned in the lower-left quadrant of the page.

Executive Summary

The HUI Huaka'i Project is in a medium-risk Yellow status.

During the January reporting period, there were no new findings identified, and one (1) positive observation was closed.

The HUI Huaka'i Project remains in a medium risk (Yellow) status, with ongoing high-risk concerns regarding schedule and testing management.

The project continues to advance; however, the UI Solution Vendor has not submitted the revised project schedule or the required schedule change request, leaving the project without an approved baseline. The continued absence of key performance metrics—particularly testing indicators—limits IV&V's ability to independently assess project progress. Finalizing and approving the updated schedule is critical to restoring schedule governance, improving transparency, and enabling effective oversight.

As of January, 871 of 1,326 user stories have been completed. Recent demonstrations in Tax, Benefits, and Appeals show continued progress in validating functionality; however, throughput remains inconsistent, and forecasting will remain uncertain until a revised schedule is approved.

Significant gaps persist in testing management. While testing processes continue to evolve, defect lifecycle procedures and related documentation remain incomplete, and the Master Test Plan submitted in December is still unapproved. Testing metrics have not been made available, and IV&V has been excluded from daily testing stand-ups, further restricting visibility into testing progress.

The project reports that 54 percent of RTM requirements have been released to the QA environment; however, inconsistent throughput continues to challenge forecasting efforts. Although the three-month average of user stories added is trending downward, throughput increased in January. IV&V still lacks access to the QA environment and therefore cannot independently verify the percentage of RTM requirements promoted to QA.

The UI Solution Vendor has added staff and increased working hours to address testing and project schedule management challenges. Despite these efforts, unresolved issues in schedule governance, testing processes, and reporting continue to elevate project risk. Focused attention on finalizing the schedule, strengthening testing maturity, and improving transparency will be essential to stabilizing delivery and supporting effective planning moving forward.

The project has two (2) open preliminary concerns, four (4) open risks, and two (2) open issues



Executive Summary Dashboard

Overall Rating

As of January 31, 2026



The project is currently in a yellow status.

% OF THE RTM DEVELOPED AND RELEASED TO SANDBOX

54%

* As reported through the Project Status Report. IV&V currently cannot independently verify the percent developed and released.

Total IV&V Findings - 46

Open - 8

Closed - 38

Open Recommendations - 24

Closed this Month - 1

Opened this Month - 0

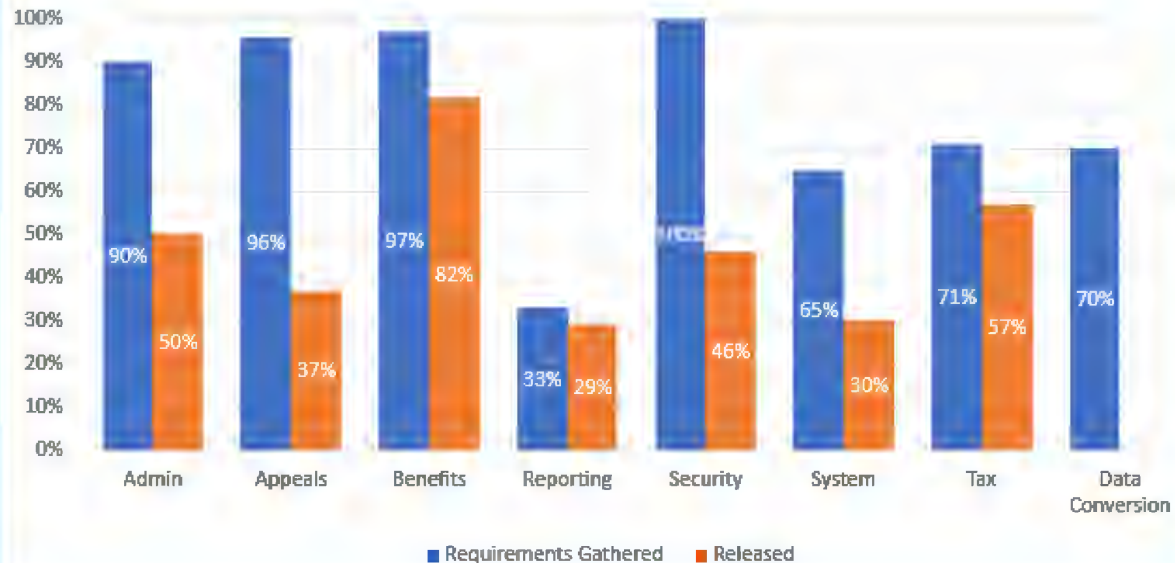
Project Budget

\$29,077,880.40

\$21,722,719.60

Expenditure Remaining

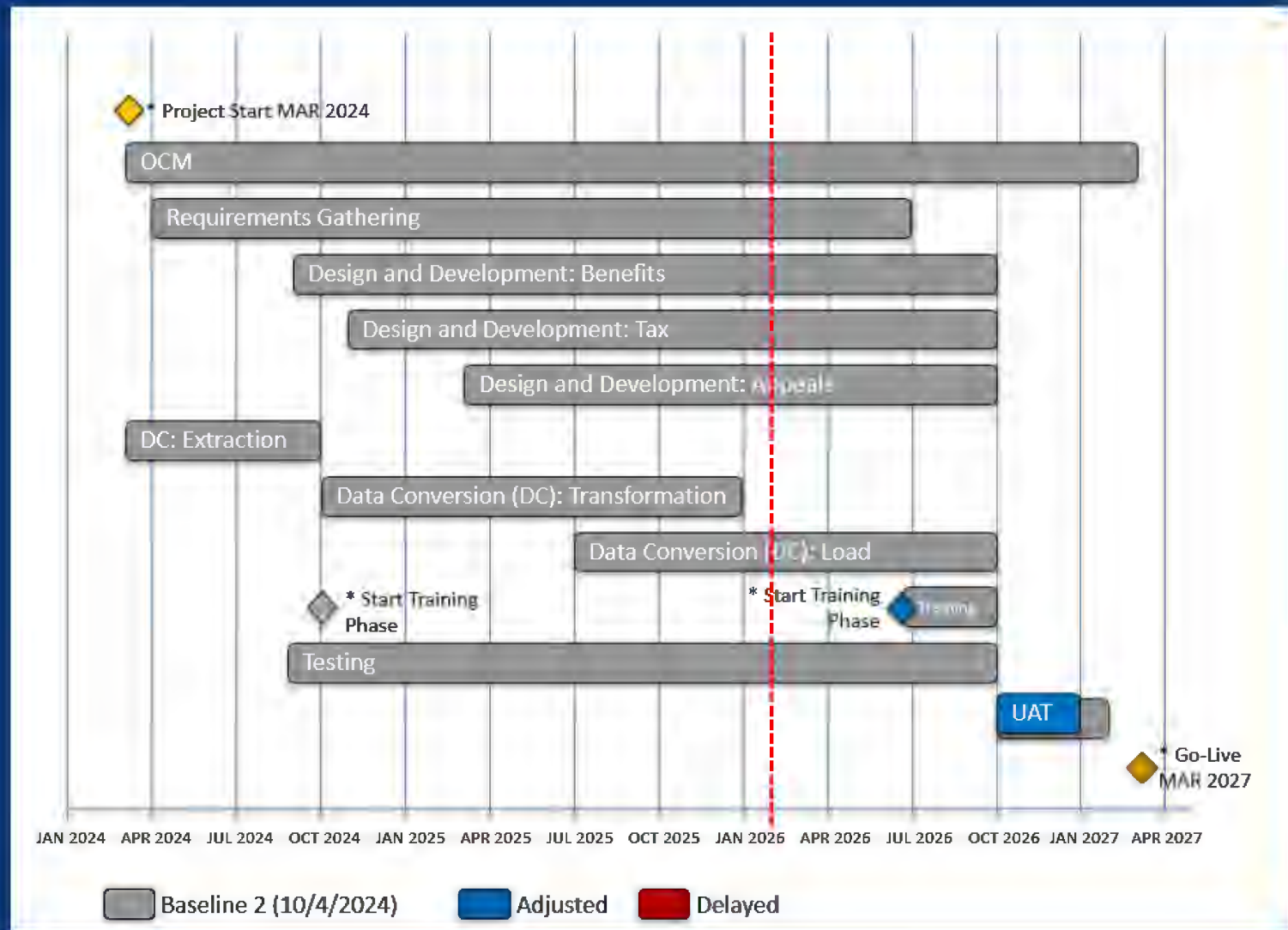
Status Tracker



* Data Conversion % is reported as the overall progress, not requirements gathered.



Executive Summary Dashboard: Project Timeline


















Executive Summary

Nov	Dec	Jan	Category	IV&V Observations
M	L	M	Project Organization and Management	The HUI Huaka'i project still lacks a finalized and approved project schedule, originally due in December. Neither the schedule nor the associated change request was submitted as planned, and IV&V has not received an updated delivery timeline. The UI Solution Vendor has also not delivered the revised Master Test Plan due in December, which was expected to incorporate the updated RTM scenario coverage approach and the schedule for requirements demonstrations and approvals. The UI Solution Vendor submitted a mitigation plan to resolve schedule delays on January 5, 2026, but had not updated progress or accomplishments by the end of the January reporting period. Testing health and quality metrics continue to be unreported, Finding #61. Additionally, the UI DLIR PMO Metrics report shows a model that assumes no user story growth, which contributes to the risks previously identified in Finding #48. The ongoing absence of accurate, up-to-date project metrics increases the likelihood of misinterpreting project status, delays critical decision-making, elevates project costs, and impairs the project's ability to meet planned completion timelines.
M	H	H	Scope and Schedule Management	The project team is working on finalizing the schedule; however, the change request (CR) and approval continue to slip and remain incomplete this month (initially scheduled for the end of December). The IV&V team reviewed draft versions and identified early concerns, including milestone date shifts, recreated tasks rather than updates, a complete schedule restructuring, inconsistent WBS IDs, the absence of a WBS dictionary, and potential issues with governance and baseline management. These were raised with the UI PMO for early action and awareness. Finding #45 shows improved progress. As of January, 871 of 1,326 stories are complete. The IV&V team refined its forecasting model to better account for backlog growth over time, and updated projections show development could finish 0.7-1 month ahead of schedule, depending on the scenario, though throughput remains inconsistent. Forecasts will be recalibrated once the new schedule CR is finalized. Due to continued CR delays and growing uncertainty, this category remains High Risk/Red.
M	M	L	Requirements Management	The RTM dashboard now shows 80% of requirements gathered - user stories, and 54% of requirements released. Requirements sessions for Benefits and Appeals continue to reduce as work shifts toward development. Tax requirements remain late, though the project implemented a mitigation plan and updated schedule this period. The IV&V team continues to monitor Finding #42, and continues to monitor traceability across requirements, User Stories, and test cases. Recent SME reviews and demos show positive progress toward defining a review and validation process. Status is Green but trending Yellow due to Tax delays.

*Additional details on finding impacts and significance can be found in the IV&V Findings and Recommendations section



Executive Summary

Nov	Dec	Jan	Category	IV&V Observations
			Architecture and Design	During the January 2026 reporting period, Appeals activities shifted from requirements and design workshops to validation, with SMEs reviewing test case scenarios and the team demonstrating claimant and employer portal Appeals functionality. In parallel, Finance activities focused on validation and requirements maturation, with SMEs reviewing finance and accounting test cases, updating completed RTM requirements, transitioning RTM work items to their appropriate states, and preparing test scenario coverage for validated requirements. Design sessions for the Client and Employer Portals have been going well, and software demonstrations are planned for February.
			Testing (Sprint, Unit, System, Integration, UAT)	The project continues to lack accessible, reliable health metrics for testing (#58). The Selenium automation dashboard remains unavailable to the IV&V team and DLIR, and the IV&V team does not have access to the QA environment for independent verification. The IV&V team remains excluded from daily testing standups despite repeated requests (#59). The Master Test Plan (v3) submitted in early December remains unapproved, even as testing processes continue to evolve, and defect lifecycle procedures and documentation remain limited or incomplete (#60). Although discussions with the project team are active and Benefits demos occur weekly (with Tax and Appeals demos planned), key schedules, testing processes, and documentation remain unsettled. Given these ongoing gaps, this area stays in Red/High-Risk despite forward momentum.
			Data Conversion Management	During the January 2025 reporting period, data conversion efforts continued to advance, supported by recurring working sessions and ongoing rule-based data quality validations using SAP Information Steward. Monthly Data Scorecards were used to prioritize remediation, with the HI DLIR UI Team working closely with the Data Cleansing Vendor to investigate discrepancies and refine validation rules. As of January 2025, table-level quality scores ranged from 9.78 to 10, and overall data conversion progress reached approximately 71%.
			Security	No security design sessions were held in January. There has been no update about how these sessions will proceed. The IV&V team will continue to monitor these activities.
			Training and Knowledge Transfer	During this reporting period, the IV&V team reviewed draft versions of the tentative project schedule. Training design and development are expected to start in May 2026, followed by training implementation in September 2026. Just-in-Time Training is scheduled to begin in February 2027 and conclude in March 2027. Since the project schedule is tentative, the IV&V team understands the timeline may be adjusted and will continue to monitor the training and knowledge transfer activities.

*Additional details on finding impacts and significance can be found in the IV&V Findings and Recommendations section



Executive Summary

Nov	Dec	Jan	Category	IV&V Observations
L	L	L	Interfaces	Integration planning occurs during the weekly integration meetings. Testing is expected to begin in March. The IV&V team will continue to monitor these activities.
M	M	M	Software Development	The project reports that 54% of RTM requirements have been released to QA (up from 49% in December). Throughput remains inconsistent, making forecasting challenging. However, refined models related to Finding #45 indicate that development could finish 0.7–1 month ahead of schedule with current estimates and variables that are based on previous schedule timelines (9/30/2025 schedule, Baseline 2). The three-month average for User Stories added continues to trend down, and throughput increased this month. The IV&V team is monitoring how upcoming schedule updates may shift projections. The UI Solution Vendor has started to demo working software in requirements testing meetings and has demos planned for the Client and Employer portals, which will begin to mitigate Finding #52. The IV&V team still lacks access to the QA environment to independently validate working software.
L	L	L	Human Resources and Staffing Management	The UI Solution Vendor added a developer and a business analyst to their project team and expanded the existing team's work hours. IV&V will continue to monitor resource management activities.
L	L	L	Risk and Issue Management	Risk and Issue Management Meetings are held every Tuesday and Thursday. During this reporting period, nine (9) decisions (ID 110 – 118) were added to the AID Log; three (3) are related to testing (IDs 110, 112, and 113), five (5) are associated with Project Management (IDs 111, 114 – 117), and one (1) is related to data conversion (ID 118). Seven (7) of the decisions are rated critical, with the most significant being the decision to “create a completely new, baselined project schedule” (ID 114). No new risks were added during this reporting period. The IV&V team closed the positive observation (#65), as these only remain open for a single reporting period. The IV&V team will continue to monitor risk and issue management activities.

*Additional details on finding impacts and risk and issue management activities. IV&V Findings and Recommendations section



Organizational Change Management

Organizational Change Management is **Green** with the following **Observations**:

The current OCM meetings are running smoothly without any issues. The strategic goal for January was to “Reduce Fraud”. This marks the completion of the seven-month strategic goal campaign initiated to highlight the HUA Huaka’i project goals. The Change Ambassador Plan is still under revision following the HI UI PMO feedback. The IV&V team will review and provide feedback once approved. The OCM Plan is scheduled for another update, and the IV&V team will review and provide feedback upon approval. The IV&V team will continue to participate in and monitor OCM activities.

OCM Activities

The OCM Team’s January accomplishments included:

- Conducted weekly OCM coordination meetings to review status and align on OCM activities.
- Published the monthly project intranet update to inform stakeholders of ongoing project activities.
- Featured the strategic goals communications campaign in the intranet update, focusing on the “Reduce Fraud” strategic goal.
- Posted strategic goals “puzzle piece” materials on posters in UI offices.
- No B-Y-O-Bento engagement sessions were conducted in January.
- Completed planning and scheduling for February Employer Portal B-Y-O-Bento engagement sessions. Distributed invitations and conducted outreach to encourage attendance.
- Completed review and updates to the OCM Plan and submitted the revised plan for review and approval.



IV&V Findings and Recommendations

IV&V Findings and Recommendations

Findings Opened During the Reporting Period

#	Finding	Category
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IV&V Findings and Recommendations

Findings Retired During the Reporting Period

#	Finding	Category
65	Open and Constructive Communication Amid Project Challenges – Positive Observation	Risk Management

IV&V Findings and Recommendations

M Project Organization and Management

#	Key Findings	Criticality Rating
48	<p data-bbox="170 358 1045 386">Issue – Misrepresented Velocity Forecasting in Project Dashboard</p> <p data-bbox="170 429 455 458">Initial Observations:</p> <ul data-bbox="170 465 1418 911" style="list-style-type: none"><li data-bbox="170 465 1418 629">• The project's updated Power BI reporting tool, "UI PMO Metrics," presents a three-month average velocity forecast assuming no future backlog growth. This overestimates project performance and creates overly optimistic timeline projections. For example, the most recent velocity projection is showing finishing 4 months ahead of schedule, and that their current velocity is above where it needs to be.<li data-bbox="170 672 1418 768">• This logic does not fully reflect historic backlog growth trends and ongoing development and testing activities. For example, the backlog has grown by nearly 300 stories in the past 3 months.<li data-bbox="170 811 1418 911">• By displaying to project stakeholders or the PMO that development will conclude four months earlier than other project indicators, like the scheduled completion, creates a false sense of progress and may mislead stakeholders on project health. <p data-bbox="170 953 301 982">Analysis:</p> <p data-bbox="170 989 1418 1085">As a result of using a linear forecast that assumes zero future backlog growth, stakeholders are likely to misinterpret project health and underestimate schedule risks, resulting in poor decision-making and reduced preparedness for testing, bug resolution, and other project phases.</p> <p data-bbox="170 1128 1392 1223">While the dashboard correctly calculates the average 3-month velocity and accurately reflects current backlog totals, the underlying logic behind its forecast projection ignores consistent historical growth (e.g., 90+ new stories/month on average).</p> <p data-bbox="170 1266 1460 1328">By omitting this context, the forecast provides an overly optimistic development end date that is not aligned with broader project indicators or scenario-based planning methods.</p>	Medium

IV&V Findings and Recommendations

M Project Organization and Management

Recommendations	Status
<p>IV&V recommends:</p> <ul style="list-style-type: none">• Update the Power BI dashboard logic to include realistic backlog growth assumptions, such as:<ul style="list-style-type: none">• An exponential decay model representing tapering growth over time.• A flat growth or lagged growth scenario to reflect conservative risk planning.• A phase-based growth scenario to reflect typical growth or decay of the backlog based on phases such as testing, development, and requirements gathering.• Incorporate scenario-based forecasting rather than a single linear projection to better represent uncertainty and variability.	Open
Update(s)	
<p>1/29/2026 – No adjustments were made to the Power BI dashboard. User Stories added continue to trend down, which will increase forecast accuracy. Despite this, backlog growth continues, and the forecast does not account for it.</p> <p>12/26/2025 – No adjustments have been made to the Power BI dashboard; the projections continue to forecast assuming no growth in user stories. This is being raised to an Issue.</p> <p>11/30/2025 – The IV&V team requested an update, but due to the holiday, did not receive feedback during this reporting period.</p> <p>10/31/2025 – No updates as of this reporting period. IV&V is continuing to monitor and communicate risks associated to this finding.</p>	



IV&V Findings and Recommendations

M Project Organization and Management

#	Key Findings	Criticality Rating
61	<p>Preliminary Concern – Lack of Testing Health and Quality Metrics</p> <p>Initial Observations: The Test Master Plan (TMP) outlines a set of operational metrics in its “Reporting and Metrics” section (Table 29), including test coverage percentages, bugs pending triage, and requirements awaiting validation. These metrics are primarily designed to support day-to-day testing execution and do not provide insight into the overall health, progress, trends, or maturity of the testing phase. The plan omits key indicators such as defect aging, failure rates, severity distribution, actual vs. planned test execution, and test effectiveness trends. This gap limits the ability of stakeholders to assess testing quality, identify systemic issues, and make informed decisions about readiness and risk.</p> <p>Analysis: As a result of insufficient testing of health and maturity metrics, the risk of under-informed decision-making is likely, resulting in reduced visibility into testing effectiveness and project readiness.</p>	NA

Recommendations	Status
<p>IV&V recommends the following actions:</p> <ol style="list-style-type: none">1) Expand the Reporting and Metrics section of the TMP to include indicators of testing health and maturity, such as defect aging, failure rates, severity distribution, and test execution trends.2) Incorporate actual vs. planned progress metrics to assess schedule adherence and testing throughput.3) Align the Test Master Plan with IEEE 29119 and IEEE 1061 standards, which emphasize metrics that track quality, predictability, and progress over time.4) Develop dashboards or summary reports that provide these metrics for executive-level visibility.	Open



IV&V Findings and Recommendations

M Project Organization and Management

Update(s)

1/29/2026 –

The most recent version of the Test Master Plan remains unapproved, and it does not yet incorporate a robust, comprehensive framework for quality-oriented metrics and reporting. The project team has indicated that additional test reporting and metric capabilities are being developed, but an estimated completion timeline has not been communicated to IV&V.

12/26/2025 –

During the December 11 meeting with the UI Solution Vendor, the team confirmed that current reporting in ADO focuses on operational metrics such as pass/fail status and requirement-level coverage. While these metrics provide visibility into test execution, they do not address broader indicators of testing health or maturity. UI Solution Vendor acknowledged this gap and committed to developing dashboards that will include requirement coverage and automation statistics. They also plan to begin weekly reporting on coverage progress. However, metrics such as defect aging, failure rates, severity distribution, and actual vs. planned execution remain absent from the current reporting framework. No timeline was provided for implementing these additional metrics.

These observations reinforce the need to expand the Test Master Plan and reporting approach to include health and quality indicators that support executive-level decision-making.



IV&V Findings and Recommendations

Scope and Schedule Management

#	Key Findings	Criticality Rating
45	<p data-bbox="160 432 894 464">Risk – Velocity and Backlog Growth Risks Schedule</p> <p data-bbox="160 501 1445 672">Since August 2024, the project backlog has grown by over 600 net new stories, with limited progress on completion until early 2025. Although June 2025 showed a slowdown in new story creation, it is too early to confirm a stable trend. IV&V performed forecasting in June using both story points and story counts, revealing wide variance in projected completion timelines depending on backlog growth and delivery rate.</p> <p data-bbox="160 714 1435 846">Under the current throughput (27 stories/month), the project could meet its October 2026 development deadline if no additional scope is added. However, continued backlog growth—even at reduced levels—would extend the timeline significantly. These findings highlight the need to control scope intake and improve throughput to ensure timely delivery.</p> <p data-bbox="160 888 1454 1055">As a result of sustained backlog growth and reliance on variable throughput trends, future delivery timelines may extend beyond the scheduled end date, resulting in increased cost and risk exposure. Forecasting models show that if the backlog continues to grow—even modestly—project completion could extend significantly unless corrective actions are taken to improve development throughput or limit scope expansion.</p> <p data-bbox="160 1096 527 1125">Continued on the next slide.</p>	High



IV&V Findings and Recommendations

Scope and Schedule Management

Recommendations	Status
<p>IV&V Recommends:</p> <ul style="list-style-type: none">- Stabilize backlog intake through more rigorous scope control and change management processes.- Regularly monitor and report on net new stories added per month to identify scope growth early.- Evaluate opportunities to increase throughput by analyzing bottlenecks and process inefficiencies.- Prioritize backlog grooming to eliminate unnecessary or duplicate stories.- Adopt a shared forecasting model and regularly update based on story point and count velocity.- Increase transparency into backlog refinement decisions to ensure alignment with RTM and project goals.	Open
Update(s)	
Found on next slide.	



IV&V Findings and Recommendations

Scope and Schedule Management

Update(s)

1/26/2026 -

As of January, 871 of 1326 user stories have been completed.

During this period, the IV&V team refined the forecasting model to incorporate a more accurate treatment of backlog growth over time. The updated approach is more dynamic and improves the forecasting model. Revised projections show a more optimistic outlook for development throughput and timely development completion for all scenarios. Even so, throughput trends month-to-month are inconsistent, and the team will continue to monitor the stability of these forecasts. The IV&V team is applying this refined logic to previous internal projections to compare and analyze trends. As the project approaches its deadlines, the model will become more accurate and reliable.

Baseline: Realistic decay model - project completes development 1 month ahead of the scheduled development completion. Target velocity needed = 63

Conservative/Risk: Flat growth or lagged decay - project completes development 0.7 months ahead of the scheduled development completion. Target velocity needed = 66

12/29/2025 -

As of December, 780 of 1313 user stories have been completed. Throughput has decreased for the month of December, with 18 stories being completed, compared to 70 in the previous month. This is most likely due to holidays and team absences.

Baseline: Realistic decay model - project completes development 0.7 months behind schedule. Target velocity needed = 101

Conservative/Risk: Flat growth or lagged decay - project completes 1.4 months behind schedule. Target velocity needed = 108



IV&V Findings and Recommendations

Scope and Schedule Management

Update(s)

11/30/2025 –

As of November, 762 of 1335 user stories have been completed. Throughput targets based on the 3-month moving average have been trending up, which is supporting more ideal metrics of timely delivery.

Baseline: Realistic decay model - project completes development 0.4 months behind schedule. Target velocity needed = 90

Conservative/Risk: Flat growth or lagged decay - project completes 1 month behind schedule. Target velocity needed = 102

10/30/2025 –

- As of October, 638 of 1351 user stories have been completed. Schedule variance has slipped further with the most recent analysis.
- 3-month velocity has trended slightly up, yet still falls short of velocity targets needed to support timely delivery:

Baseline: Realistic decay model - project completes development 0.7 months behind schedule. Target velocity needed = 94

Conservative/Risk: Flat growth or lagged decay - project completes 2.2 months behind schedule. Target velocity needed = 105



IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

9/29/2025 –

- As of September, 588 of 1284 user stories have been completed.
- 3-month velocity has trended up, which has positively impacted the projections and forecasts as follows:

Baseline: Realistic decay model - project completes development 0.1 months behind schedule. Target velocity needed = 84.67

Conservative/Risk: Flat growth or lagged decay - project completes 1.6 months behind schedule. Target velocity needed = 95.50

8/26/2025 -

- As of August 2025, 476 of 1,251 user stories have been completed. The project's recent decision to link all backlog items to the RTM has significantly changed the backlog landscape and historical metrics, increasing visibility and improving traceability. IV&V supports this shift, as it addresses prior concerns about unlinked work.

- Forecasting has been enhanced and matured to include an exponential decay model to reflect more realistic backlog growth over time and create more accurate and nonlinear projections and forecasts. IV&V has also added velocity targets for each scenario.

- The three scenario-based projections, rooted in the exponential decay model:

Baseline: Realistic decay model - project completes development 2.0 months behind schedule

Optimistic: No new growth - project completes development 2.4 months ahead of schedule

Conservative/Risk: Flat growth or lagged decay - project completes 3.8 months behind schedule



IV&V Findings and Recommendations

Scope and Schedule Management

Update(s)

7/28/2025 -

- As of July 2025, the project has completed 362 of 955 user stories, leaving 593 stories remaining in the backlog.
- Backlog growth has slowed, and throughput has increased, showing a positive trend of throughput and backlog decline.
- Using a 6-month average forecast, if no new stories are added, and current 6-month average throughput is maintained, the project will finish on time with the scheduled planned development end date. The Moderate scenario within that same forecast shows that maintaining the same throughput will surpass the end date by approximately 2 months. 3-month average and historical averages are being monitored as well.



IV&V Findings and Recommendations

L Requirements Management

#	Key Findings	Criticality Rating
42	<p>Risk– Missing Requirement and Test Case Traceability for Some User Stories and Features</p> <p>For some User Stories that have been developed, IV&V observed no corresponding test case to verify that the requirement was correctly built and works as intended. For example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771. Additionally, there is no linked requirement associated with the Feature or the User Story (i.e., no parent requirement for the User Story, and no child requirement for the Feature).</p> <p>Requirements Traceability Matrix (RTM) typically tracks two main components for each requirement:</p> <ol style="list-style-type: none">1. Development/Build (designing and implementing the requirement)2. Testing/Validation (verifying that the requirement is correctly built and works as intended). <p>Simply, Requirement → How it is implemented → How it is tested</p> <p>The RTM's purpose is:</p> <ol style="list-style-type: none">1. Ensure every requirement is accounted for in the system build.2. Ensure every requirement is tested (validation coverage).3. Show clear traceability both forward (Requirement → Test Case) and backward (Test Case → Requirement).	Medium
Recommendations		Status
IV&V recommends ensuring end-to-end traceability by fully tracing Features, User Stories, and related development tasks to corresponding requirements and associated test cases within the RTM. In addition, IV&V recommends explicitly linking test cases to the corresponding User Stories and Features in Azure DevOps (ADO) to help ensure that all implemented functionality is adequately validated during testing and aligned with stakeholder requirements.		Open



IV&V Findings and Recommendations

Requirements Management

Update(s)

1/31/2026 -

During this reporting period, the project conducted multiple SME review sessions and demonstrations of working software across both the Benefits and Appeals functional areas. For Appeals, SMEs reviewed and refined test scenarios mapped 1:1 to RTM requirements, including scenarios for paper appeal filing, timeliness management, staff-filed and department-filed appeals, appeal modification and cancellation, section of law management, and decision template processing.

The project also demonstrated claimant and employer portal Appeals functionality and continued to define a structured test case development approach, including requirement-level traceability within the RTM, SME approval workflows, and automation planning for regression testing. These activities represent continued implementation of the defined review, validation, and traceability process and provide early evidence of requirement-to-test coverage and stakeholder validation.

In parallel, Finance activities focused on reviewing accounting test cases, updating completed RTM requirements, transitioning RTM work items to appropriate workflow states, and preparing test scenario coverage, representing early-stage progress toward applying the same traceability and validation approach to Finance.

In Sprint 37, User Story 56692 is marked as “Closed” and traces to six (6) requirements. IV&V observed that one of these requirements (Requirement 56693) does not have an associated test suite or test case.

IV&V will continue to monitor implementation of the testing process, including end-to-end traceability between requirements, User Stories, and associated test cases within the RTM and Azure DevOps (ADO), and will assess whether story-level linkage, SME validation, and automation coverage are consistently achieved across functional areas.

12/31/2025 -

The project has defined and begun implementing a new, systematic testing process with the following key elements:



IV&V Findings and Recommendations

Requirements Management

Update(s)

a) Requirements Traceability

All tests will be explicitly linked to the Requirements Traceability Matrix (RTM) to ensure full coverage, establish clear go/no-go criteria at the requirement level, and enable efficient SME engagement.

b) SME Review and Execution Model

Subject Matter Experts (SMEs) will review test scenarios for completeness and execute tests using standardized, two-part scripts consisting of:

- A high-level summary providing business and functional context, and
- Detailed, step-by-step instructions for execution.

c) Test Automation Approach

Testing will be automated using two (2) tools:

- TestSuite for complex data setup activities (e.g., wage seeding), and
- Selenium for user interface interactions that simulate end-user actions (e.g., navigation and data entry).

Regular SME review meetings are scheduled to begin the week of January 5, 2026, starting with an introductory session. Meeting agendas will be distributed in advance to support resource planning.

Under the project's current testing approach, test scenarios and cases are primarily linked to requirements but are not consistently linked to the associated User Stories or Features in Azure DevOps (ADO). While requirement-level traceability supports validation of business intent, the absence of explicit linkage between test cases and User Stories would limit visibility into whether all implemented stories are directly validated through testing. Addressing this linkage would further strengthen end-to-end traceability across requirements, User Stories, and test cases.

IV&V will monitor implementation of this process and provide ongoing feedback.



IV&V Findings and Recommendations

Requirements Management

Update(s)

11/30/2025 -

Test case traceability issues have still not been resolved. This lack of traceability sustains the risk that this functionality may not be adequately validated during testing, potentially leading to the functionality not meeting stakeholder requirements.

10/31/2025 -

There are still missing requirements and test case traceability issues.

08/31/2025 -

While the discussion commentary in the User Story (46942) in ADO suggests that it has been tested, both the user story and its parent feature (46771) still lack associated test cases. This continuing gap indicates that the traceability issue remains unaddressed, sustaining the risk that this functionality may not be adequately validated during testing, potentially leading to the functionality not meeting stakeholder requirements.

7/31/2025 -

There has been no change since last month regarding traceability in Azure DevOps (ADO). Task 54144 remains a child of User Story 46942 (Decision Template page), and neither the User Story nor its parent Feature 46771 has an associated test case. This ongoing gap indicates that the traceability issue first identified in May and reiterated in June remains unaddressed, sustaining the risk that this functionality may not be adequately validated during testing.

6/30/2025 -

There continues to be a lack of full traceability between some Features, User Stories, and corresponding test cases in Azure



IV&V Findings and Recommendations

Requirements Management

Update(s)

DevOps (ADO). As of this month, Task 54144 remains a child of User Story 46942 (Decision Template page), but no test case has been associated with either the User Story or its parent Feature 46771. This indicates that the traceability gap identified last month has not yet been addressed, increasing the risk that functionality may not be adequately validated during testing.

5/31/2025 -

Not all Features, User Stories, and related development tasks are fully traced to associated test cases in ADO, for example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771.



IV&V Findings and Recommendations

M Software Development

#	Key Findings	Criticality Rating
52	<p>Risk – The absence of regular demos of working software increases the risk of misalignment between delivered functionality and stakeholder expectations.</p> <p>Initial Observations:</p> <ul style="list-style-type: none">• Demos are a key Agile practice to align development outputs with stakeholder needs. They provide stakeholders the opportunity to review functionality, validate design decisions, and confirm whether sprint goals are met. Currently, the project is at Sprint 30, but regular demos are not consistently conducted.• Agile best practices recommend holding demos with the development team, scrum master, product owner, and relevant stakeholders at the end of each sprint. This strengthens collaboration, validates project objectives, informs backlog prioritization, and ensures that deliverables remain consistent with stakeholder expectations. <p>Analysis:</p> <ul style="list-style-type: none">• According to Agile best practices (Scrum Guide 2020, PMI Agile Practice Guide, and SAFe), demos and sprint reviews are essential for stakeholder feedback and validation of sprint outcomes. IEEE 1012-2016 emphasizes the need for early and continuous stakeholder involvement to validate requirements.• The absence of regular demos of working software increases the risk of late discovery of misaligned functionality, delays in incorporating stakeholder feedback, and unnecessary rework during testing. For example, issues such as defect 55143 (View Appeal brings blank page) could be identified earlier through demo feedback. The absence delays feedback loops and increases the risk of delivered functionality not meeting stakeholder expectations, misaligned deliverables, reduces transparency, rework, and late defect discovery.	Medium



IV&V Findings and Recommendations

M Software Development

Recommendations	Status
<p>According to Agile Best Practices, IV&V recommends that the program incorporate demos consistently into future sprints and sprint reviews by:</p> <p>Conducting Sprint Reviews with Demonstrations</p> <p>At the end of each sprint (or at least once during a 2-week sprint), demonstrate completed functionality. Use these sessions to validate progress against sprint goals, gather immediate feedback, and refine or reprioritize the product backlog.</p> <ul style="list-style-type: none">• Scrum Guide (2020): Sprint Review is a formal event to “inspect the outcome of the Sprint and determine future adaptations.”• PMI Agile Practice Guide (2017): Iteration reviews (demos) ensure alignment with business priorities and continuous stakeholder feedback. <p>Maintaining a Stakeholder Engagement List</p> <p>Maintain a list or register of stakeholders, including their roles and interests, to ensure the right participants are included in demo sessions. Review and update this list regularly to strengthen stakeholder engagement.</p> <ul style="list-style-type: none">• PMBOK 7th Edition / PMI Agile Practice Guide: Identifies stakeholder engagement as critical for transparency and delivery of business value.• IEEE 1012-2016: Requires documenting stakeholder roles and involvement to ensure effective validation and verification. <p>Promoting Active Stakeholder Participation</p> <p>Encourage stakeholders to contribute during sprint reviews and demos. Highlight the importance of iterative feedback in guiding development, validating business needs, and ensuring alignment with program objectives.</p>	Open



IV&V Findings and Recommendations

M Software Development

Recommendations	Status
<ul style="list-style-type: none">• Scrum Guide (2020): The Sprint Review “gives stakeholders the opportunity to provide feedback on the Increment.• Scaled Agile Framework (SAFe): Iteration Reviews emphasize validating business functionality through direct stakeholder participation. <p>Standardizing Communication in Reviews</p> <p>Define consistent practices for sprint reviews and demos. Teams should present progress, challenges, backlog impacts, and planned next steps. This enhances transparency, builds trust, and fosters ongoing engagement.</p> <ul style="list-style-type: none">• Agile Alliance / Scrum Guide: Transparency and inspection are core pillars of Agile; clear communication during reviews is key to maintaining them.• PMI Agile Practice Guide: Effective communication in ceremonies builds trust and enables adaptive planning. <p>Capturing Outcomes for Accountability</p> <p>Record feedback, key decisions, and action items from each demo in a lightweight format (e.g., sprint review notes or backlog updates). Use this as a reference for backlog refinement and continuous process improvement.</p> <ul style="list-style-type: none">• Scrum Guide (2020): Sprint Review results feed directly into backlog adaptation.• IEEE 1012-2016: Calls for traceability of validation activities, including documentation of outcomes and corrective actions.	Open



IV&V Findings and Recommendations

M Software Development

Update(s)

1/31/2026 -

During this reporting period, the project conducted four (4) demonstrations of working software focused on the Benefits area. These sessions represent continued implementation of the defined demo approach and provide opportunities for early stakeholder review and feedback on delivered functionality.

IV&V will continue to monitor the conduct of sprint demos, stakeholder participation, and the effectiveness of these sessions in validating alignment with sprint objectives and stakeholder expectations.

12/31/2025 -

The project has begun implementing a new, structured testing and review approach (as described in Finding #42), which includes increased SME engagement and more frequent review of working functionality.

As part of this approach, the project has introduced weekly demos of working software to Subject Matter Experts (SMEs). The first demo, covering twelve (12) Claimant Management requirements, was conducted on Friday, 12/26/2025.

IV&V notes this new process as a positive step toward strengthening feedback loops and validating functionality earlier in the development lifecycle. However, IV&V has not yet been invited to attend these demos, which limits IV&V's ability to independently observe stakeholder feedback, assess alignment with sprint objectives, and evaluate the effectiveness of demo practices.

IV&V will continue to monitor the implementation of demo activities and stakeholder participation and provide ongoing feedback.



IV&V Findings and Recommendations

Software Development

Update(s)

11/30/2025 -

The project did not provide demonstrations of working software from completed sprints during this reporting period. While IV&V remains available to observe sprint reviews, the lack of demos restricts the ability to validate delivered functionality and assess progress against requirements.

10/31/2025 -

During this reporting period, IV&V has not observed demonstrations of working software resulting from completed sprints, which may limit stakeholder visibility into progress and alignment with requirements.



IV&V Findings and Recommendations

Testing

#	Key Findings	Criticality Rating
58	<p>Issue– Limited access to testing artifacts, processes, and metrics</p> <p>Observations: The IV&V team has encountered various limitations in providing effective independent oversight into the testing domain of the project, which includes:</p> <ul style="list-style-type: none"> • The UI Solution Vendor denied the IV&V team access to the test plan module in ADO and its inherent information, including test run information and testing metrics. – Resolved 12/2025 • UI Solution Vendor is not currently reporting metrics on testing, test quality, or defects, and has expressed reluctance to make that information available • The IV&V team continues to lack access to the QA environment to validate quality and testing comprehensiveness independently <p>Analysis: As a result of limited access to testing information within ADO, ADO testing metrics, and external test quality reporting, a lack of IV&V visibility into the testing process is likely, resulting in reduced ability to identify project risks, assess development and testing quality, and validate the State’s level of insight and involvement in the UI solution vendor’s processes. This condition inhibits IV&V’s role as an independent partner in evaluating system quality and may impair the State’s ability to effectively approve and ensure the quality of the delivered solution.</p>	Medium
Recommendations		Status
<p>IV&V Recommends:</p> <ol style="list-style-type: none"> 1) UI Solution Vendor provide IV&V access to test plans and execution data in ADO. 2) Testing statistics and reporting should be reported regularly and in a consistent and transparent format. 		Open



IV&V Findings and Recommendations

Testing

Update(s)

1/29/2026 –

The project continues to lack comprehensive testing health metrics readily available for stakeholders. A selenium automation dashboard is not available for the IV&V team or the DLIR team. The IV&V team does have access to demos with the DLIR SMEs, but we continue to lack access to the QA environment to independently verify working software.

12/26/2025 –

The IV&V team has been given access to ADO testing metrics and the test plan module this reporting period. The project continues to lack comprehensive testing health metrics and reporting, such as defect aging and overall quality indicators. The vendor has proposed a Selenium automation dashboard, but it is not yet available to IV&V or the State. These gaps continue to limit full oversight of testing quality and progress.

11/30/2025 –

There have been no changes identified by the IV&V team in this reporting period; testing statistics reported, as well as IV&V team access to testing information, remain limited.



IV&V Findings and Recommendations

Testing

#	Key Findings	Criticality Rating
59	<p>Preliminary Concern – IV&V Exclusion from Daily Standups</p> <p>Observations: Testing Standup meetings have been occurring since mid-September. The IV&V team was initially invited to this series, but then later asked to not attend, citing that they weren't ready for us to attend. The IV&V team has followed up to inquire when we would be allowed to attend, and no response or timeline has been provided. Prolonged exclusion has added to the previous constraints into limited visibility of the project's testing process.</p> <p>Analysis: As a result of IV&V's exclusion from daily testing standups, a lack of visibility into the testing process is likely, resulting in reduced ability to identify project risks, assess development and testing quality, and validate the State's level of insight and involvement in the UI solution vendor's processes.</p>	NA

Recommendations	Status
<p>IV&V recommends the following actions to address this concern:</p> <ol style="list-style-type: none">1) Immediately include IV&V in all daily testing standup meetings and related testing discussions.2) Provide IV&V with access to relevant testing documentation, metrics, and environments to support independent oversight.	Open



IV&V Findings and Recommendations

Testing

Update(s)

1/29/2026 –

The IV&V team continues to not be included in daily testing standups despite multiple requests.

12/26/2025 –

The IV&V team has not been included in Daily Testing Standups during this reporting period, limiting direct visibility into ongoing testing activities.



IV&V Findings and Recommendations

Testing

#	Key Findings	Criticality Rating
60	<p>Risk – Inadequate Defect Management Processes and Ambiguity in Test Plan Guidance</p> <p>Observations: The IV&V team has observed that seven SME Requirements tests have remained in a failed state for over two months without any linked bugs logged in Azure DevOps (ADO). One of these test cases has a bug linked to the requirement it is linked to, but is unclear where the bug resulted from and if it's related to the test case failure (logged a month after the most recent failure of the test case). No retesting has occurred, and no updates have been made to related metrics since 9/23/2025. This is symptomatic of broader issues in defect management practices. The Test Master Plan outlines general expectations for bug logging and triage but does not explicitly require that all failed test cases result in bug creation. This lack of specificity contributes to inconsistent tracking, delayed resolution, and reduced visibility into testing progress and system quality.</p> <p>Analysis: As a result of ambiguous defect tracking guidance and inconsistent bug logging practices, a recurrence of untracked test failures is likely, resulting in reduced traceability, delayed issue resolution, and diminished confidence in testing outcomes.</p>	Medium

Recommendations	Status
<p>IV&V recommends the following actions:</p> <ol style="list-style-type: none">1) Update the Test Master Plan to explicitly state if all failed test cases, especially SME Requirements tests, should be logged as bugs in ADO if it is a valid failure.2) Establish reporting mechanisms that report defect aging, failure rates, and retest status to stakeholders on a recurring basis.3) Review the 7 failed test cases and if bugs need to be logged or linked to them for resolution.	Open



IV&V Findings and Recommendations

H Testing

Update(s)

1/29/2026 –

The most recent version of the test plan remains unapproved, and the defect management lifecycle, procedures, and documentation are not yet fully defined or documented.

12/26/2025 –

A meeting this reporting period occurred to discuss ADO test coverage and answer IV&V questions. Prior to this meeting, it was acknowledged that SME requirements testing only occurred for a short trial period, and the failures logged during that time were invalid. This has been cleaned up in an ongoing effort to refine their testing approach. During this meeting, the UI solution vendor clarified:

- Bugs will be linked to Requirements, not test cases.
- The test runner in ADO supports logging bugs during test execution, but there is no enforced process ensuring linkage to failed test cases
- Internal (UI Solution vendor testing) at the story level is not maintained in ADO; only RTM level test scenarios will be tracked.
- The UI Solution vendor acknowledged that it will take approximately two months to catch up with test coverage and linking of existing requirements ready for SME testing.

The Test Master plan has not been updated to reflect the testing and defect management processes discussed.



IV&V Findings and Recommendations




Risk Management

#	Key Findings	Criticality Rating
65	<p>Positive Observation – The team is engaging in candid, difficult conversations and fostering open feedback across stakeholders, which supports shared understanding, timely identification of issues, and collaborative problem-solving.</p> <p>Observations: Despite the project’s yellow status, the project team is demonstrating maturity and resilience by engaging in difficult, transparent conversations. Team members are openly discussing challenges, risks, issues, and constraints, and leadership is encouraging candid feedback across disciplines. This open communication environment fosters shared understanding, supports timely issue identification, and positions the team to collaboratively develop realistic mitigation strategies. The willingness to confront issues directly reflects a strong commitment to accountability and continuous improvement.</p> <p>Analysis: Open and transparent dialogue enables early identification of risks and issues, supports informed decision-making, and reduces the likelihood of surprises. This behavior builds stakeholder trust and improves alignment on corrective actions, increasing the project’s ability to respond effectively to challenges and stabilize performance.</p>	Low
Recommendations		Status
N/A		Closed



Appendix A – IV&V Criticality Ratings

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 evaluated and implemented as soon as feasible.
 L	A low rating is assigned if there is a possibility of a slight impact on 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

Meetings attended and artifacts reviewed during the reporting period:

January 2026 Project HUI Huaka'i Weekly Status Reports

Data Cleansing meetings and meeting notes for meetings in January 2026

[Development \(Appeals\) Features Backlog - Boards \(azure.com\)](#)

[Development \(Benefits\) Team Epics Backlog - Boards \(azure.com\)](#)

[DLIR Traceability Matrix Team Epics Backlog - Boards](#)

Appeals Design sessions agendas, meetings and meeting notes

Benefits Requirements Sessions agendas and Meeting Notes

Financial/Accounting Requirements agendas, meetings, and meeting notes

Benefits Requirements Testing Demos

Integration Workstream Meetings

Tax Requirements sessions

OCM agendas, meetings, and meeting notes

[Epic 28163 System](#)

Risk Management Meetings

Project Schedule

RAID Log

Power BI Project Reports



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