QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY

Statement of Witness

Name of Witness	Jacek Jan Klatt
Date of Birth	[redacted]
Address and contact details	[redacted]
Occupation	Platinum Consultant, SAP Australia & New Zealand
Officer taking statement	Anastasia Nicholas
Date taken	27 March 2013

I, JACEK KLATT state;

1. I am a Platinum Consultant employed with SAP Australia & New Zealand ("**SAP**").

SAP Review

2. I was a member of the SAP review team which prepared the report entitled "SAP Project Management Review – Queensland Health" dated 14 September 2009 ("**the Report**") (**Commission Contract Management Bundle, Vol 10, pp 232-262**). I helped write the Report and agree with its contents.

3. The review period for the Report was 31 August to 11 September 2009. I do not know who from the customer side had engaged SAP to undertake the review as engagements are organised through the SAP sales department.

4. The purpose of the Report was to present the results of the project management review of the QHIC HR Implementation Project ("**the QHIC Project**"). The objective of such a review is to identify risks with the implementation process and determine the necessary

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actions that are best suited to assist with a successful project leading to go-live. Additionally, the review also focused on additional functional and technical project areas. My role on the review team was to consider the technical project areas and assist my colleagues in the assessment of the functional and project management areas.

5. The Report considered the status of the QHIC Project as high risk in the context of its goals and status at the time of the review. Specifically, the planned go-live of 20 November 2009 was at high risk due to number of high risk findings identified during the review. Therefore, the Report recommended delaying the go-live date of 20 November 2009 until all critical recommendations made in the Report were completed or confirmed. My belief at the time was that the system was not necessarily in a disastrous state, but it was asking for trouble to try and meet the intended go-live date. With a large number of open issues only 3 months away from planned go-live, project pressures would create a very difficult environment to address these issues in a satisfactory manner. The review team conducted a number of interviews. The view which each of the review team members expressed was that the project should not go-live within the planned timeframe until highlighted issues were addressed.

6. I have not worked personally on any project which would integrate Workbrain with SAP, though I have worked in environments where such integration was implemented. I cannot offer any opinion on whether the SAP-Workbrain solution designed for QHIC had architectural flaws. It was outside my expertise to consider the solution architecture, namely, the use of Workbrain for awards interpretation. The focus of the Report was on the readiness of the system to go-live rather than the quality of the solution itself. It would have been difficult to understand fully in the course of a five day review a solution that was built over the course of several months.

Proof of Concept

7. I have been asked about a key area of concern identified in section 4.1 of the Report which outlined that there was "[l]ack of clarity and results around a working 'proof of concept' and overall solution including the complex integration between SAP and Workbrain."

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8. A 'proof of concept' is generally completed during the sales or project preparation process to convince a customer that what they want to achieve is possible using the proposed solution. Most commonly, the product of such 'proof of concept' is a working prototype showing the key components of the solution. It is quite separate from looking at customer reference sites at which the solution might have been implemented, though existing experiences would usually be fed into design and build of the prototype.

9. Outside of what is said in the Report, I cannot recall the context for the concern over the lack of a working proof of concept.

10. In respect to the 'complex' integration between SAP and Workbrain, there are two aspects that can create complexity. One of them is functional, as there are two separate systems or components in operation which need to work together. In this case, these systems were from different vendors, architected and built using different approaches and technologies and having their own methods of storing and processing data. As a result, as each system stores separate data, it is required to exchange data with the other and function flawlessly as part of the overall solution. For example, issues can arise with the representation of the same data in different systems (data models). Inevitably, there is duplication of data – especially where the integration is based on batch data exchange. Therefore, on a functional level, it is necessary to define clearly what functionality and which data each of the systems is responsible for.

11. The other aspect that creates complexity is building the technical requirements necessary to integrate the two systems. Once the required functionality of each system has been determined, it is necessary to design and build the technical integration to allow the data and processes to flow between the systems. One of the more important and difficult aspects of such an integration is implementing error handling processes to address any technical issues that arise during normal operations of implemented solution.

12. I have been asked about the key areas of concern identified in section 4.1 of the Report which state that there was a "lack of detailed functional and technical specifications" and "lack of detailed information and documentation regarding the enterprise architecture and solution integration."

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13. I recall that these concerns related to a lack of documentation, particularly for error handling processes, which would allow the system to be handed over to the team that would operate the solution post go-live. Error handling procedures identify the possible scenarios where issues can occur and provide detail as to how to resolve them. I noted that whoever would inherit the system post go-live (after the expiry of the warranty period) would experience difficulties because of the lack of error handling processes in place. I recall from the interviews that I conducted that CorpTech personnel did not seem to feel comfortable taking over (responsibility for) the solution.

User Acceptance Tests

14. I have been asked about a key area of concern identified in section 4.1 of the Report which states, "[t]here has been multiple User Acceptance Tests (UAT) without a prior end to end integration test with full connectivity between SAP and Workbrain."

15. In my experience, UAT testing is the final testing phase which allows a selection of users or future users to use the system based on clearly defined test scenarios or after giving them a certain level of training. As UAT is one of the last phases of testing, it implies that before commencing UAT, the project team would have completed end-to-end integration testing, that is fully test approved scenarios (representative of the way solution has been designed and is intended to be used). The purpose of UAT is to confirm that the end user is able to use the system in the same way that it has been designed to be used. Therefore it is my opinion that it is in best interests of any project as well as the customer to perform thorough end-to-end integration testing.

Severity of Defects

16. I have been asked about a key area of concern identified in section 4.1 of the Report which states, "High number of Severity 1 and 2 defects from UAT 3 being downgraded to Priority 3 to allow entry into UAT 4 (there is agreement to complete these before UAT 4 ends)."

17. I do not recall analysing any specific defects that were subject to the severity downgrade. The severity classification of defects is an agreement between involved parties. If the

severity criterion is clear, there should be no changes to the classification of defects. There are genuine cases where severity can be downgraded – for example if there is an agreement between all parties that the defect was incorrectly classified. I cannot recall whether other team members performed a detailed analysis of selected defects, but from the way the sentence is structured in our Report, it suggests concerns with and disapproval that the severity was downgraded specifically to allow entry into UAT 4, thus bypassing the entry gate that was set by the project in the first place.

Stress and Volume Testing

18. I have been asked about a key area of concern identified in section 4.1 of the Report which states:

> *Lack of comprehensive stress and volume testing taking into account the complex nature of the solution and integration aspects between SAP and Workbrain. Scenarios tested to date focus on the individual aspects of the solution (Workbrain only or SAP only) and do not take into account several timing dependencies that exist in the solution and their impact on the timeline of pay runs for example. There are over 70,000 employees in the payroll process and concerns have been raised on the ability of the solution to handle the number of transactions and Workbrain users. The review did not find any evidence of plans to address this aspect.*

19. Stress and volume testing is normally employed to ensure that the solution architecture and infrastructure (on which the solution is deployed) are capable of supporting planned volume of processes and data. Another outcome of such testing is assessment of the solution's scalability, that is, its ability to cater for increased load - possibly as envisaged in longer term implementation plans. If there are scalability and/or performance issues, it may be as easy as adding additional processing resources on the infrastructure level (like memory or CPU), however, sometimes a system reaches a saturation point where it is unable to process more load irrespective of how many resources are provided. As a result, stress and volume testing allows you to identify the point (load) at which the system will no longer be able to function. In the process it helps identify individual performance issues which can be addressed by solution or process tuning or redesigning.

20. The larger the system, the greater the possibility of scalability and performance issues. In the best case, performance issues can be addressed by tuning of individual solution

components. In the worst case though, they can only be addressed through fundamental design changes. Therefore sufficient time must be allowed to address any potential issues identified through stress and volume testing. As mentioned earlier with regard to scalability, it is imperative you do not just test the load that is predicted to hit the system within the first months after go live, but also in the longer horizon (which varies depending on future implementation plans or organisation's growth).

21. Other than the findings made in the Report, it is outside my expertise to comment on the scalability of Workbrain.

Declaration

This written statement by me dated 27/03/2013 and contained in the pages numbered 1 to 6 is true and correct to the best of my knowledge and belief.

Signature

Signed at [redacted] this 16 day of APRIL 20 13

Witnessed:

Signature

Name MALGORZATA KLATT [redacted]