

Exhibit No

116

Date

13/05/2013

Received From

Counsel Assisting the Commission

Description

Statement of Malcolm Gnierson dated 24

April 2013.

Associate





**QUEENSLAND HEALTH PAYROLL SYSTEM  
COMMISSION OF INQUIRY**

**Statement of Malcolm John Grierson**

I, Malcolm John Grierson state:

1. I was appointed Director-General of the Department of Public Works in October, 1998 and served in that role until 1 July 2011. During that time my only absences from that position were periods of leave and a period of approximately 3 months in 2007 when I occupied the position of Director-General of the Department of the Premier and Cabinet.
2. I am being asked to recall events that occurred up to six years ago and I do not have a detailed memory of them. I have been shown copies of briefing notes that are addressed to the Director-General. At that time, I could have received more than 20 or 30 briefing notes in a day as well as a similar amount of correspondence. I do not specifically recall any of the documents that have been shown to me, although I recall the events in a general sense. My practice with briefing notes that came to me was to read and initial them. So if it had my initials in the bottom right corner, it meant I would have read it. Sometimes briefing notes were drafted and never actually got to me. That is not uncommon in the public service.
3. The role of the Department varied over the period I was Director-General, as the Government of the day allocated a range of responsibilities to the Minister and to the agency. Core responsibilities included almost all Government building work, accommodation, maintenance, fleet, printing, travel, stores and procurement. Responsibilities that were with the Minister and the agency at some time included Housing, Racing, CITEC (the government's Computer Centre), Smart Services (the government's call centre), NBN, Shared Services and CorpTech.

Malcolm Grierson:

A handwritten signature in blue ink, appearing to be 'M. Grierson', written over a horizontal line.

Witness signature:

A handwritten signature in blue ink, appearing to be 'W. J. Grierson', written over a horizontal line.

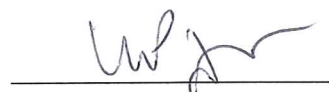
Page 1 of 24

4. In relation to the issues before this Commission, (Shared Services and CorpTech) my first involvement with Shared Services was as a member of various CEO Committees during 2003, when Treasury introduced the concept of Shared Services to Government agencies. Shared Services was an initiative to install standard processes and systems for administrative activities in all agencies, and therefore achieve savings in costs through economies of scale.
5. Early recollections of this time were my concerns with Shared Services which included (a) the scope of services being covered (many of which were unwound and returned to agencies some years later); (b) the arguments I expected with agencies regarding costs of services [I had already experienced this in the provision of many of the Department of Public Works whole of Government services to agencies]; (c) the "one size fits all" model [I did not believe that a huge sophisticated system that may be required for the finances of a Treasury Department was necessary – or could be afforded - by a small organisation like the Government Printer in my Department]; and (d) the resistance I expected by agencies in being forced to change long standing practices and transfer staff and funds to a central Shared Services Agency. While these were my concerns, some or all were shared by other Directors-General and certainly by my Minister at the time (Minister Schwarten).
6. The Shared Services Agency (SSA) was established in Treasury department and other than as a member of various CEO committees, I played little role in the day-to-day activities of that agency. The first major event that caused me to become more involved was the selection of SAP as the preferred Finance and HR/Payroll System for the whole of Government. The majority of Government agencies were using a system called Aurion for HR/Payroll. Aurion was a local product for which CITEC was a major shareholder and I had many meetings with Directors of Aurion (David Mercer/ Silvano Basso) who were very upset that the local installed product was to be replaced by an overseas system. SAP was chosen by Treasury SSA officers in 2005.

Malcolm Grierson:



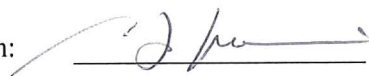
Witness signature:



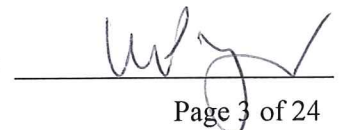


7. During 2005 and 2006, my involvement continued only on CEO Committees and I recall a focus on rolling out the SAP Finance system across several agencies. The first new SAP HR/Payroll roll out was in the Department of Housing around 2007. It did not go smoothly - I think due mainly to the tight links between the other Housing core portfolio systems and finance, which caused considerable changes to the standard SAP modules. Natalie MacDonald would be a better source of information regarding the Housing implementation than me..
8. Also during 2007, there was a review of Shared Services undertaken by Treasury and a decision was taken to engage a "Prime Contractor" to deliver the next phases of the implementation of SAP as opposed to continued use of internal Treasury CorpTech/SSA officers. I had no issues with the model of "Prime Contractor" as that was the standard model used for almost all major construction projects undertaken by my Department and I supported it. The Prime Contractor model meant having a single point of accountability for delivery but where the Prime Contractor would source sub-contractors as required for particular skill sets. It avoids a lot of the "blame finger-pointing" between sub-contractors but it requires well defined scope against which the Prime Contractor can be held accountable.
9. I took no active role in the process of evaluation or scoring of the various companies involved in the RFI/ ITO/tender process and I do not recall any discussions regarding which company was leading or not leading in the evaluation process. My clear recollection of that time was that I would have been comfortable with either IBM or Accenture (the apparent frontrunners) as I knew both companies and their senior management well, having been involved in the IT industry for some 40 years at that time. I thought both companies had the resources and experience to undertake the required role far better than internal government resources.
10. During 2007, I met with both IBM and Accenture senior managers on various occasions. In my role, I would regularly meet local, national and international senior personnel from all companies dealing with the Queensland Government – particularly as I was in

Malcolm Grierson:



Witness signature:

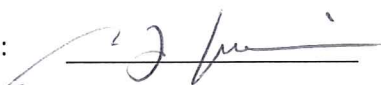
  
Page 3 of 24



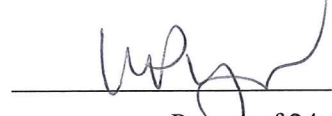
charge of the Government Procurement Office. I recall meeting the IBM Vice President Asia Pacific, Frank Kern on several occasions both in Japan and in Australia and through him, several of his senior management and research staff. I recall meeting senior Accenture partners such as Simon Porter, Karyn Mottershead and Marcus Salouk. I think that I met Doug Snedden, the Managing Director of Accenture Australia also during this period. Some of these meetings may have included the Minister, some included other Directors-General, some included my relevant senior staff, and some I may have had on my own.

11. Recollections of those meetings vary but in many, I sought examples/stories of experience in implementing SAP in large organisations. One such discussion was with a Nancy Thomas, a senior IBM project manager who had implemented the SAP Finance system in the whole of IBM, replacing I think over 100 existing finance systems. When Nancy visited Australia, I had her deliver a presentation to various CEOs and my senior staff about her experiences.
12. During July to September 2007, I had been asked to work with Premier Beattie as his Director-General for what turned out to be his last 3 months as Premier. During that time, Treasury was selecting the Prime Contractor and Terry Burns was emerging as a key person in the process. I first met Terry Burns when he appeared at a CEO committee meeting. I recall that he had come from South Africa where he had (I thought), SAP experience. I don't remember ever knowing of his IBM roles in South Africa and I don't recall dealing with him very often or knowing about his relationships with Treasury officials.
13. After Premier Bligh was appointed and Ken Smith became Director-General of DPC, Ken approached me to advise that the Premier wanted the Shared Services Agency moved from Treasury to Public Works. The Premier had experience with shared services from her time as Treasurer and my understanding was that she did not believe it had gone well to date and that it was not the core business of the Treasury Department. While this message was conveyed by Ken Smith to me, discussions between the Premier

Malcolm Grierson:



Witness signature:



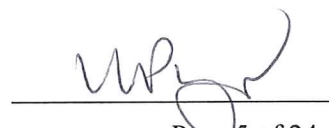
and myself and the Premier and my Minister supported this view. My Minister and I were not greatly enamoured of the proposed move but in September 2007, the Shared Services Agency transferred to my Department. CorpTech and the implementation of the SAP Systems across government (and the funding for same) remained with Treasury.

14. In November 2007, Treasury appointed IBM as the Prime Contractor for the implementation of the next phases of the Shared Services SAP implementation. As the Government had moved the Shared Services agency from Treasury to Public Works by this time, my Minister and I were consulted by the Treasurer/Under Treasurer regarding our support to having IBM as prime contractor. As stated earlier, I supported the appointment of a prime contractor and I was comfortable with either IBM or Accenture taking on this role.
15. The reaction from Accenture to the appointment of IBM in my case was to arrange meetings with me to discuss the IBM tender and generally express disappointment in the decision. This was not unexpected by me as for almost every major tender, I would have representatives of unsuccessful tenderers wishing to meet with me to discuss the situation. I think that Marcus Salouk was the Accenture lead partner on this exercise and I met with Marcus and others in December 2007 to discuss the prime contractor procurement process. I can't recall details other than he was very critical of IBM and IBM's role in the procurement process.
16. I have been shown the reconstructed file notes of Marcus Salouk (Item 24.6 – pg 1164 - 1165) in relation to meetings that he had with me and they are a generally correct reflection of the conversations that took place. It was not my practice to keep notes of meetings, so I do not have any notes of my own that record what took place. I don't remember asking him in December 2008 if Accenture were interested in doing the Health payroll, but there were certainly times during my experiences with IBM where my level of disappointment had reached the stage where I would have liked to have had

Malcolm Grierson:



Witness signature:



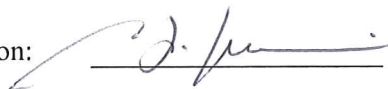
Page 5 of 24



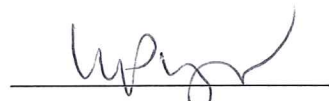
other options. Unfortunately, it was too late. I think the horse had bolted with IBM before then. I initially didn't care who won the tender, IBM or Accenture. I thought that they both could have done the job, but I was very disappointed with IBM; very disappointed and if it would have been simple to have engaged somebody else to take over, I would have. However, the situation was that IBM were in the role with a contract with the Government that would have had to be terminated (not something that IBM would have agreed to easily and quickly), a process would have had to be undertaken to select/negotiate with/contract and transition a new Prime Contractor/or partner/or someone (which would never have been a quick process), the new contractor would have had to negotiate to pick up IBM's IP and relationships with other sub-contractors (something IBM may not have agreed to) or start again. All the above would have had to occur at a time when I was advised that the Lattice system was a huge risk - limping along and causing considerable concern to senior CorpTech/Health staff. Also at this time, IBM had appointed a new Project Director and were making promises of Go-live dates occurring in the near future, so I hoped that IBM would be able to deliver as promised.

17. I have seen the minutes of the Shared Services CEO Governing Board of 15 April 2008 (annexed hereto and marked 'MJG1'). The steering committee and governance structures were changed as a result of decisions made at that meeting. There is a comment in the minutes that, "Greater emphasis will be placed on agencies and providers working together to standardise business processes and identify efficiency opportunities." So there was certainly a continued focus to try and get agencies to get their scope right but stay within standard processes wherever possible.
18. The key decision of that April 2008 meeting was to change direction in regard to the Shared Services implementation and move from one whole-of-Government implementation, to three separate entities charged with the introduction of the SAP Finance and HR/Payroll across government. The two large agencies, Health and Education assumed responsibility for the implementation of Shared Services within their respective agencies; the Department of Public Works continued with the remainder of

Malcolm Grierson:



Witness signature:

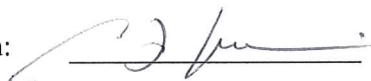




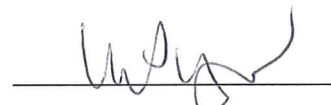
the public service. The management of CorpTech and the relationship with IBM remained with Treasury.

19. I supported this decision to hive Education and Health off from the whole-of-Government activities as they were so large and complex, I thought they could stand alone from the rest of government and make life a lot easier for the whole-of – Government activities. There was talk at that time about the Police Department also wanting to “go alone” from the whole-of-Government shared services activities, however Police were on the Aurion Payroll which was used by many other agencies and weren’t seen as “unique” as Education and Health.
20. During the first half of 2008, I recall the first suggestions by CorpTech personnel (probably in CEO meetings) that IBM were not meeting some of the deliverable deadlines. This was of concern to me because I was aware (I can’t recall exactly when I was advised) that at the start of the next financial year, CorpTech was also to be transferred from Treasury to the Department of Public Works. This transfer occurred on 1 July 2008.
21. My recollections of the period immediately after the transfer of CorpTech to the Department of Public Works are mainly of concerns expressed by my Minister and some of my senior staff of “what have we inherited here”. I do recall discussions with Minister Schwarten about undertaking a sort of “due diligence” exercise whereby we could understand where CorpTech and IBM were in regard to the whole-of-Government rollout; what work was still to be done; who was going to do the remaining work and what funds were left to undertake such work. The Minister wanted to identify what we had inherited, particularly in regard to what needed to be done and the remaining funds. I was of a similar view. We knew or believed at that stage that there was not enough money to undertake the outstanding shared services roll-out. The underlying requirement as we understood it, was to replace the Lattice system which was no longer supported by the manufacturer and which was critical for the Health Payroll. IBM also was undertaking reviews of the status of the overall project which by October 2008

Malcolm Grierson:



Witness signature:

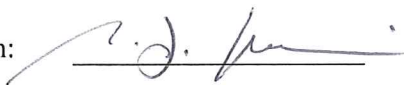


Page 7 of 24

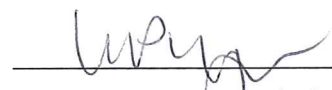
indicated that the Phase 1 project could not be completed in the time and for the funds allocated. The results of these reviews were discussions between the various key parties including the Premier, and planning commenced for a change in direction. The final approval for a complete change in direction called the Corporate Solutions Program occurred through a Cabinet Decision in August, 2009. This resulted in a proposed extended number of Finance and HR/Payroll solutions continuing to exist within the Government agencies, including SAP, Aurion and TSS.

22. One of the critical issues that influenced my thinking throughout this whole period was the advice I was receiving about the state of the QH LATTICE payroll system. I remember being told that it needed a lot of attention each pay cycle and responsible personnel were basically living on their nerves from pay cycle to pay cycle. I think the Commission has heard evidence about the 100,000 plus transactions manually input each cycle by over 500 clerks and how the system had to be "nursed" through any changes. If my memory serves me correctly, Philip Hood was so concerned that at one stage he told me that if the Lattice system did stop working and CorpTech couldn't fix the problem, Plan "B" would have been to use the previous cycle Bank file so we could at least pay people the same amount as that fortnight and it would be something. I have read what Gary Uhlmann said about LATTICE and that's interesting, but Gary wasn't as technically close to LATTICE as Philip Hood was and Gary didn't have the responsibility for LATTICE or the Health payroll not being processed. The bottom line was that I believed that Philip Hood was petrified that LATTICE was going to fall over, Talent2 would not give us the support and then there would be no pay for Health. That was why we were really focussing on getting Health delivered by IBM.
23. The briefing note of 8 July 2008 (Document 67 – pg105 - 108) was around the time when I took over CorpTech in DPW. It shows problems with IBM's performance at that stage. John Beeston has commented in the briefing note that one option would be to appoint an external partner to conduct a review. I do not know if that ever happened.

Malcolm Grierson:



Witness signature:



Page 8 of 24



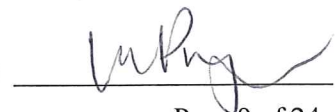
24. During the early weeks of having CorpTech as part of DPW, concern had been expressed to me by various parties as to the performance of IBM. Deadlines had been missed and there was considerable friction developing between government and IBM personnel. Department of Education, Health and CorpTech senior officers were openly critical of the performance of IBM and I was concerned for the future of the relationship with IBM and hence the project. The cause of much of the friction and tension appeared to be a lack of faith in the IBM team. I had discussions with various parties resulting in a discussion with IBM executives (probably Lochlan Bloomfield and others) regarding a change in IBM Project ~~Manager~~<sup>management</sup>. I think I expressed the view at that time (which I certainly have expressed since then) that I was disappointed that IBM had put a "B" team on the project whereas I would have expected the IBM I had known in the past to have had an "A" team on a project such as this. IBM responded by ~~replacing their~~<sup>installing a more</sup> ~~project manager with a~~<sup>senior project director</sup> Bill Doak in July 2008. Bill Doak remained project director until IBM and the Queensland Government severed relations regarding this project in late 2010.

25. I have been shown an email from Barbara Perrott dated 11 August 2008 (Contract Management Bundle Document 78 – pg 269 - 271) about John Beeston and IBM. It says that IBM is trying to apportion blame for delays to CorpTech and QH. I think it would be fair to say that as soon as something went wrong, there'd be finger pointing and IBM would say, and sometimes rightly, sometimes wrongly, "We weren't told this," or, "This has changed," or what have you. This business here was to do with - I think as Barbara said, managing to the letter of the law. John Beeston, if I recall - and I didn't have a lot to do with John directly, but I do know that he was very pedantic. He made sure that the comma had to be where the comma had to be and that was getting up Bill Doak's nose and so Bill Doak came to see me and the general tenor of his conversation was, "You weren't happy with our project manager. You complained. We did something about it. We got rid of him and we bought in a new man," namely himself, "This fellow is slowing things down. Do you think you could do the same thing here and get rid of him? He's causing interference and slowing everything down." I think that I met with John Beeston after this email, but I didn't take any action with John. I

Malcolm Grierson:



Witness signature:

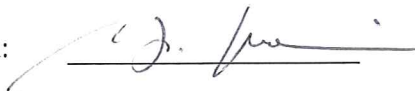




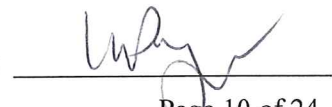
certainly do not recall dismissing John. My recollection is that I was quite happy with John making sure that IBM dotted their i's and crossed their t's. However, I didn't want IBM to be able to say that we were unfairly delaying payments to IBM, but I can't recall Bill Doak being able to point to an example where John was wrong or being unfair.

26. I do not recall being briefed about the number of change requests which had occurred with the contract at this time. I do not recall being briefed about change requests 60 and 61. I had no involvement in change requests at all. This was not unusual in that it was standard practice within our major construction projects for my senior staff to have had the authority to approve certain changes to major projects. My senior Departmental staff were competent, experienced officers. CorpTech senior staff came to DPW from Treasury with authority to approve changes and retained this authority.
27. I have been shown an email from Barbara Perrott dated 25 August 2008 (Document 84 – pg 287 - 290). It says "I believe we are nearing the point where we need to take more formal action with IBM." DPW had only had CorpTech and the IBM contract for a couple of months at this stage, but I think this is where we were wanting to really start putting things in a formal process so we knew exactly what IBM had to do, what we needed to do and what Health needed to do. There were times over that period where we decided we needed to call IBM in, have discussions with them and I guess read the riot act. We got to the stage of show causes and notices of disputes down the road a bit. But this email is probably the first time where Barbara or somebody had actually got some legal advice about writing to IBM saying, "Right. IBM, you were supposed to have done this. We don't believe you've done it." I believe the letter of 2 September from Barbara as Executive Director, CorpTech to Bill Doak was the result of Barbara's email to me and I think it was the first time that Barbara had sought Malleasons' legal advice in drafting a formal response to IBM.
28. We basically were still in a due diligence process for those first two or three months where we were trying to get our heads across what it was we had inherited and the way forward. I have been shown minutes of a meeting of the Executive Steering Committee

Malcolm Grierson:



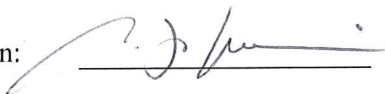
Witness signature:




dated 11 September 2008. On page 2, the minutes record that "Barbara reported that Mallesons has advised that a Breach Notice should be served to IBM, but Mal Grierson does not agree with this approach and has requested that alternative strategies be considered". It is true that at that time, I was not happy about having to get into a legal fight at that early stage because I thought we should be able to sort it out. However, letters to and from IBM started to take on a more formal/legal tone as things started to be challenged. I was comfortable with that.

29. I have been shown the letter to IBM of 2 September 2008 (Document 88 – pg 4 - 6). I do not recall the letter, but I don't believe a letter like that would have been sent without my approval.
30. I have been shown the unsigned briefing note of 17 November 2008 (Document 134 – pg 40 – 66). I don't recall the document, but do recall the discussions of the information in the document. This is the stage of the Go Forward strategy. There was a lot of discussion about this and I'm not sure if it ended up with a cabinet or CBRC submission. The strategy was based on the performance of IBM and Health, the performance of IBM and Education, outstanding priorities and budgets. Always in the back of our mind was how much money was left and what the project was costing. So I suspect that this was one of a series of discussions about rescheduling activities to take into account priorities, performance, time, funds, resources, etc.
31. During this period (late 2008) I also took the opportunity of reviewing the management of CorpTech. Barbara Perrott had been manager of CorpTech in Treasury and had come to DPW with CorpTech in July 2008. After some discussion with Barbara, I moved her back to the role of manager of the Shared Services Unit (her strength) and recruited Margaret Berenyi in early 2009 from the Department of Lands to head up CorpTech. I had known Margaret for some years and was aware that she had a strong IT background, was a "no-nonsense" person and she would bring a fresh approach to the project. She and James Brown, who also had extensive SAP/IBM experiences from NSW became the CorpTech executive team to manage the IBM relations.

Malcolm Grierson:



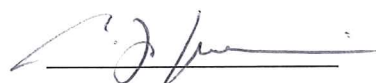
Witness signature:



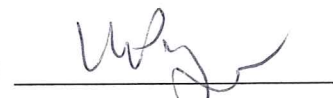


32. I have been shown the Minutes of an internal Health Department Committee meeting of 7 January 2009 that mention that Michael Reid, DG Health, agreed to talk to me and then have a discussion with IBM. I do not recall meeting with Mick Reid at that time. I was on leave from 24 December 2008 until 16 January 2009. My diary does record a meeting with Mick Reid for 30 January which was to include my Assistant DG, Robyn Turbit. I am informed that Ms Turbit's diary indicates that the proposed meeting did not occur for some reason and I cannot recall any meeting with Mr Reid taking place.
33. I have been shown a briefing note dated 13 January 2009 (Document 174 – pg 25 – 35). It strikes me as a typical briefing prior to a meeting with a major supplier – in this case IBM. Any time I had a meeting with anybody from outside, any contractor, IT, building, whatever, my personal staff would automatically contact the area of the department that was relevant for a briefing note. If I was meeting with Ford, they'd contact QFleet and they would provide me with a briefing note of issues that may be raised by the person/s coming to see me or issues that I should raise with the person/s coming to see me. That was standard practice. There was an officer in the department who looked after all of my meetings and her job was to make sure that prior to every meeting I had, I had a briefing note so that I didn't get ambushed about what was happening. So this, to me, looks like there was a meeting coming up with IBM, somebody was coming up from Sydney or overseas, and CorpTech are saying "This is the information that Mal needs to know about if he's going to meet with IBM".
34. I was not involved in any detailed negotiations with IBM regarding work orders. Negotiations or discussions with IBM regarding the delivery of various work orders or changes of scope or whatever would have been done by CorpTech and Health. My role was more one of meeting with senior executives of IBM to say, "Listen, we are really peeved about this. This is not working. This isn't happening. You haven't delivered this," and really let them know that we're upset and that IBM was in a bad place in its relationships with the Queensland government. So my role was to set the scene, and then say, "Now, our officers are going to sit down, yours and mine, and they're going to

Malcolm Grierson:



Witness signature:





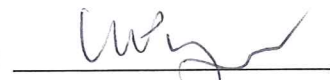
sort out a way forward". I would talk with the head of the company and hopefully agree on a position, then the officers from both sides would then go ahead and get something sorted out that all parties could agree on. My discussions with IBM executives were generally at a strategic/high level and would rarely get into the detail of work orders.

35. The briefing notes of 13 and 27 January 2009 (Document 174 – pg 25 – 35) and Document 185 – pg 94 – 95) are consistent with the above and refer to meetings I had planned to have with IBM to discuss certain matters and to align CorpTech's proposed negotiations with the discussions that I would be having.
36. During 2009, the relationship with IBM deteriorated as deadlines were not met, blame for whose fault it was became a finger pointing exercise; IBM were accusing Health of scope changes and delays, and uncertainty existed as to what was or should have been in the original scope of a Health payroll; costs were increasing as IBM's workforce was remaining large (or getting bigger), again blame being apportioned as to why the workforce was needed at this size and claims as to who should be paying for what continued. At this stage I had met with senior IBM executives from Sydney (or overseas) regarding this situation and IBM had assigned a senior Australian executive from Headquarters in Sydney (Peter Munro) to fly regularly to Brisbane to meet with Bill Doak and sometimes with me or my senior staff to try to defuse tensions and address concerns.
37. CorpTech did try in 2009 to set specific work order goals for IBM, (IBM set goals for themselves with proposed Go-Live dates) so that if they did not meet them, we could threaten to terminate. CorpTech managers were regularly talking to their legal advisers and I think the general consensus was, you've got to have good reasons to terminate and every time they looked for a good reason, they knew that IBM would be able to say, "Oh, yes, but you've changed this," or, "Health have changed that," or, "Health have changed this." Milestones were certainly set in that the CorpTech people were trying to nail down specific work orders and that's another reason why IBM got upset with Beeston because he was really trying to nail them with details of achievement or lack

Malcolm Grierson:



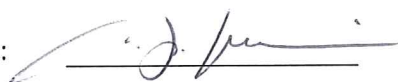
Witness signature:



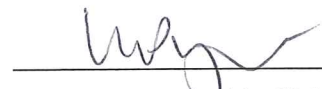
thereof. And behind all of this, Lattice was still limping along and Philip Hood was worried about it.

38. Also during this time, I was not at all happy with the role being played by SAP. It was the SAP product that was being rolled out in Health, the SAP product that was being interfaced with Workbrain, the SAP product that was not meeting deadlines set by IBM, yet SAP representatives were seemingly sitting on the sideline and not wanting to be actively involved in the problem solving exercises. I met with Tim Moylan and Tim Ebbeck of SAP Australia and suggested that SAP expertise should be assisting IBM in this exercise. SAP agreed to assist IBM and I recall being advised of meetings between heads of IBM and SAP in Sydney though I was not invited to any such meetings.
39. I have been shown a string of emails between Margaret Berenyi and I dated 18 February 2009 (Document 196 – pg 133 – 136). I had lost my patience with IBM and CorpTech finger pointing some two weeks earlier and sent all parties a rather terse message. I think that Peter Munro who had been assigned by IBM Sydney to “keep the peace”, tried to get his people to come up with a list for us; "Now, this is what needs to be done and we can do this and we can do that," but I think they were starting to put price tags on some of the work on the basis that it wasn't in the original scope, or, "You now want this. That's slightly different from the original scope". My comment to Margaret Berenyi in relation to the IBM “list” was, that’s ok, but “continue to seek a fair and equitable outcome.” I was not interested in IBM just coming forward with a long wish list of things that they wanted to be paid for. My view was that if there was something that Health hadn't asked for in the first place, for example, Cost Allocation (which I think may not have been asked for initially), it was only fair that we paid IBM additionally for that; whereas if it was something that should have been provided for in the scoped work orders, then I wasn't going to pay for it again.
40. Those emails reflect that the scope of the work was a continual source of argument, and highlighted the dilemma and confusion of IBM providing a “best of breed” payroll or a replacement payroll system for Lattice. Scope was an ongoing concern and I think that

Malcolm Grierson:



Witness signature:

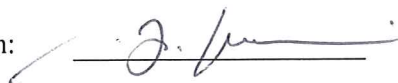




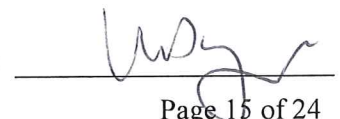
both Health and Corptech took the position that IBM was responsible to scope the project; whereas IBM's position was more of "yes, but you didn't tell me about that or you've changed your mind".

41. I have been shown an undated briefing note that refers to a Directors-General meeting of 25 February 2009 (Document 201 – pg 153 – 155). It discusses a proposal that the prime contractor only continue to be engaged for Queensland Health. I was certainly of the view that should happen. During late 2008/early 2009, I was concerned with the relationship between Department of Education senior staff and IBM and the lack of progress in the development of a replacement SAP system for the TSS Education payroll. At that time my fear was that, just as the Health project was not meeting deadlines; the Education project seemed to be heading exactly the same way and if IBM were splitting their resources into the two agencies, it was going to be even worse. I could see IBM just getting more and more money out of this project that we weren't prepared to pay. So that's why we said, "Right. We're going to lock IBM in to finishing Health," because the replacement system for LATTICE was urgently required, but Education had a way forward which was the TSS upgrade.
42. I have been shown the minutes of the Executive Steering Committee meeting of 26 February 2009 chaired by Margaret Berenyi, then Executive Director, CorpTech. I haven't seen these minutes previously. The second page contains a comment about my expectations. I suspect these comments reflect my instructions to Margaret as she commenced the role of Executive Director CorpTech. I expected the big two agencies Education and Health to be responsible for their own projects and have their own Project Boards (they by now were responsible for their own individual Shared Service providers); DPW to be responsible for all of the remaining agencies (DPW was responsible for the Shared Services Agency under Barbara Perrott); CorpTech under Margaret was to remain responsible for the technical aspects of the applications; CITEC was to remain responsible for the platform (hardware/software/communications/etc.). I expected the QGCIO to be involved in ensuring standards were met. The above is basically what happened.

Malcolm Grierson:



Witness signature:

  
Page 15 of 24

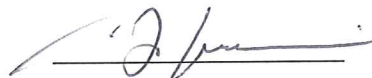


43. The Shared Services implementation for Education had by this time been returned to Education Department, and they were clearly in my view, wanting to move away from the SAP whole-of-government solution. I had discussions with the DG Department of Education and the Under Treasurer about leaving Education on a TSS platform (albeit upgraded with some financial support from the whole-of-Government funds). The DG Department of Education stated that her Department would very much prefer to remain on TSS and withdraw from the IBM/SAP solution. This occurred when approvals (I think by Executive Council) to extend TSS were given in March 2009 <sup>and May</sup> and Education Department remained on TSS as part of the new Corporate Solutions Program approved by Cabinet/CBRC in August 2009. 3

44. Around March 2009, I was away and there were negotiations about a payment of \$5 million to IBM. I would have taken that up with senior IBM personnel on my return. I don't recall the actual meeting dates or details, but I certainly had meetings with IBM regularly and, as I said, we were at all stages trying to settle the list of what needed to be done, work out what it was we needed to pay for (things that we couldn't really blame IBM for), and then negotiate that final list, pay for it and get them out of here. As far as I recall, CorpTech had been talking to Mallesons and getting legal opinions on the contract, whether we could hold IBM to deliver this or deliver that or whether the scope was this or the contract was that. I believe that there was legal advice obtained to support the decision to pay IBM more.

45. Go-live dates were promised for various dates that year, noting that there were only certain times during the calendar year when a go-live was desirable or sometimes even possible. These dates came and went and again the finger pointing escalated regarding who was at fault for the delay. IBM continued to point to change requests from Health and a lack of urgency in Health in signing-off IBM activities. Around the time of a failure to meet a 30 June 2009 deadline (IBM had indicated "we will unequivocally have a 29 June Go-Live"), I had appointed a new Associate Director-General (basically my deputy) Natalie MacDonald who had been the Director-General of the Department

Malcolm Grierson:



Witness signature:



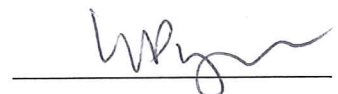
of Housing. As Natalie had been the Director-General of Housing during the period of the implementation of the SAP HR/Payroll in that department, I put her in charge of IT for DPW, including CorpTech and the Health Payroll project. Natalie very quickly became involved in the tensions between CorpTech, IBM and Health and tried to resolve the various claims and counter claims.

46. The second half of 2009 saw a continuation of delays in finalising user acceptance testing and continuation of finger pointing as to blame allocation. I can't recall getting detailed briefs about user acceptance testing, other than the fact that it was being done. I do not recall being told that the kind of errors that were identified during user acceptance testing were unusual to identify during that kind of testing. I was not involved in any decision to reclassify defects. Further change requests occurred and arguments continued as to who should be paying for the additional work. By December that year, a further Go-live date had been set for March 2010 albeit agreement had been reached between IBM and Health that certain functions were to be implemented post the go-live and "work arounds" would be in place for the March go-live.
47. I have been asked whether I attended a meeting between the Premier and IBM on 17 June 2009. I have checked my diary and it shows that I did not attend that meeting. I do not recall briefing the Premier prior to that meeting nor do I recall if the meeting actually occurred.
48. I have been shown a letter from Michael Reid to me dated 16 March 2010 about change request 202 (Document 607 – pg 204 – 206). This letter is about the considerable debate between the various agencies about who was paying for what. Under the contract, payment for certain things were being made to IBM by CorpTech, but if there were things that CorpTech believed that Health should pay for because they had caused whatever it was, then the Health Department had to pay for it. I do not agree that a letter like this shows that IBM had complete control over upping the price through change requests. Every time there was a change request that went through, I believe that James Brown, Margaret Berenyi, John Beeston, would go through it with a fine tooth comb to

Malcolm Grierson:



Witness signature:

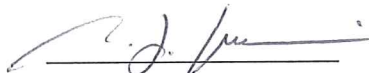




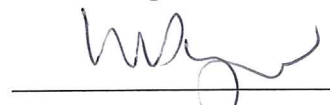
make sure that: (a) it had to be done; and (b) they were getting value for money. There were times CorpTech actually went to independent outside parties (e.g. Ernst and Young) to say, " IBM are quoting us \$x to do this change request," and they would come back and say, "Yes, we think that's a fair price for the amount of work to be done," or, "We think that it's too much," in which case CorpTech would go back to IBM and negotiate a different price. However, part of the trouble was that SOW 8 had been determined I think 4 years ago and things were changing all the time.

49. Leading up to the go-live, I received various briefing notes or emails mainly from Natalie MacDonald or Margaret Berenyi keeping me abreast of the status of the go-live activities. Late January, I was gaining confidence in the IBM/CorpTech activities when I was advised by Margaret/Natalie that the major risks had moved from the technology and the system, to the Health department for data conversion and business readiness for go-live. From my earliest introduction to IT some 40 years ago, data validation/migration was a concern for the best of systems so I recall asking Margaret (I think) about the Data conversion exercise. The reply was that data conversion was the responsibility of Health and that she had been advised that it was under control. During this period, the Minister's office was being kept informed of the pending go-live situation.
50. During January and February 2010, various testing phases continued up to a critical meeting of the Queensland Health Implementation (of Continuity) Committee (consisting of senior Health, CorpTech and IBM officers) on or about 14 March at which the Go-Live decision was made for the next Health Payroll. Presented to that Board was a Program Assurance Position Paper no 42/10 which indicated (inaccurately I believe) that many aspects of the project were "Green – There is an acceptable position to proceed into Go-Live" (Document 593 – pg 147 - 160 and Document 598 – pg 168 – 172). According to the document, this paper was presented to the Board by Terry Burns who had apparently joined Health Department as a contractor/consultant in some quality assurance role. After CorpTech had moved to DPW, Terry Burns had offered his services to me but I had not taken up his offer. I cannot recall ever being aware that he

Malcolm Grierson:



Witness signature:

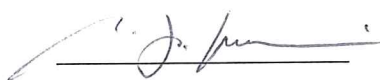





had joined the Health department team until his name was mentioned regarding the Go-live discussions.

51. On 24 March 2010, I and the Minister's office received an email from Natalie advising that Health Department had sent out a "Special Broadcast" email to all staff advising that the first pay cycle in the new payroll system had been successfully completed. Later that day the first problems started to emerge but we were advised that it was a problem of some payroll clerks not entering rosters in time and therefore some casual staff were not paid. The next few days saw more issues but again these were attributed to late or failures in manual data entry rather than SAP or system issues.
52. On 29 March 2010, I departed for London on pre-arranged leave to visit family. During the period I was absent (until 30 April), Natalie MacDonald was Acting Director-General. Natalie kept me informed of developments via phone, text or email during April and I was aware of the obvious pressure under which she and the team were operating. I was reading the media stories via the internet and both Health and DPW Ministers' offices were continually seeking responses to media requests for information.
53. When I returned from London, I was thoroughly briefed by Natalie and senior CorpTech officers. My recollection of my understanding at that time was that the majority of issues were being caused by manual input of roster changes and not the system. I was informed that the system was running slower than expected which exacerbated the manual input. CITEC's explanation was that the hardware and software had been specified to cater for a certain volume of users at any one time, but that Health had doubled the specified number of users, thus causing SAP and Workbrain to "go slow". Steps were immediately instigated to acquire additional processing power at CITEC (I think an increase of some 60% to 70% was added). This is an example of the toing and froing like the chicken and the egg, "Is this causing the problem, Workbrain?" "Yes, but if it had been configured because we knew you wanted to have 400 users, it wouldn't be causing a problem," so it was a bit difficult to say, "Hey, IBM, Workbrain is not working and under the contract you're supposed to have it working," when in fact they

Malcolm Grierson:



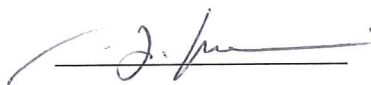
Witness signature:



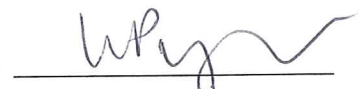
can turn around and say, "No, we got it working for 200 users. You're just hitting it with 400 users." That was a difficulty all the way through those days.

54. However, what appeared to me to be a (if not the major) concern was the accuracy and completeness of the data in the system on which the payroll calculations were being processed. I formed this view based on the following. Firstly, I attended several meetings in Ken Smith's office (DG of DPC) where Michael Walsh (then assigned by Ken to Health as an Associate or Deputy DG to sort out the Payroll problems) informed us on more than one occasion, that another "x" thousand documents had been located in some hospital and that these had not been input as part of the data conversion prior to the go-live. Secondly, after one pay cycle where a number of Health personnel had received no pay, I asked Philip Hood, the senior technical officer in CorpTech to investigate each of the relevant individuals' pay records and identify why there had been no pay. On I think about 40% to 50% of the no-pay instances, there had been no bank code/account number input into the pay file for those individuals. This meant that the system would have calculated the pay but had nowhere to send it. Other no-pays also could be attributed to incomplete or inaccurate data.
55. This is not to say that the system was perfect – far from it. My recollection of other major problems at the time were :- work arounds for aspects that IBM had not delivered caused an increase in the manual input load for Health; the design of the payslip was appalling (complex and confusing); data input screens were also complex and confusing and caused slow input of pay cycle data (dual screens assisted this activity later); Workbrain was a complex system and when faced with what the Auditor-General has calculated as 24,000 possible combinations of awards, allowances, etc. for an individual health employee each pay cycle, Workbrain (as configured by IBM) performed poorly/slow. This latter issue was addressed by <sup>IBM</sup> CorpTech engaging specialists from the parent company Infor and bringing them out from Canada to Brisbane to investigate and tune the system to improve performance.

Malcolm Grierson:



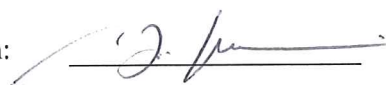
Witness signature:



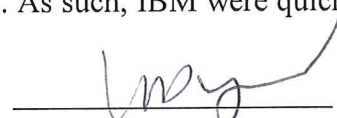


56. During the early pay cycles, I think it was the Minister for Health, Paul Lucas who mentioned during a press conference that the Government would “sue” IBM for not delivering the required replacement payroll system – or words to that effect. The result of this was that the media reported this and IBM went into what I saw as a “defensive legal” mode. Delay Notices and Notice to Remedy documents passed between IBM and CorpTech during May 2010 written/drafted in most cases by legal advisers to the State or IBM. In these documents, CorpTech listed defects in the system and basically said that IBM was in breach of the contract until such time as these defects were addressed. IBM in turn argued that the data was still the main reason for payroll problems and that remedies for whatever defects still existed had been delayed because Health or CorpTech had instructed IBM to undertake other higher priority work.
57. At this stage, CorpTech had withheld certain payments to IBM for work done for various work orders. There was also a sum of money due for the completion of the project being withheld. This was the subject of various meetings with IBM whereby Bill Doak would argue the case for release of these funds. I believed that IBM Headquarters in New York were becoming quite concerned with the media comment regarding IBM’s performance and relationship with the Queensland Government, and IBM Australia were therefore under pressure because of New York’s concerns and the increasing costs of the project. On more than one occasion, Bill Doak said that his instructions from above were that IBM would not undertake any newly identified work on the project without written guarantee of payment for such work.
58. During the May/June period, the Auditor-General, Glenn Poole undertook a review of the payroll project and presented his report to Parliament in June 2010. During his review, I met with the Auditor-General on several occasions and expressed my views on the major issues that had caused the payroll to have problems. A formal response to the Auditor-General’s Report was sent jointly by myself and Mick Reid, DG Health to the Auditor-General who printed the response in his final report. Glenn Poole focused on the Public Service activities and processes dating back to the introduction of shared services but did not address IBM’s performance in any detail. As such, IBM were quick

Malcolm Grierson:



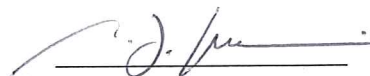
Witness signature:



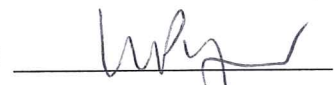
to state that the Auditor-General had not found IBM's efforts wanting and, I believe, were planning to use this A-G Report as part of their defence in any forthcoming legal disputes.

59. After the Auditor-General's Report was submitted, the Director-General of Health terminated the contracts of several health officers including Michael Kalimnios. There was a degree of tension when I would not similarly terminate the contract of Margaret Berenyi, the General-Manager of CorpTech. I based my decision on the belief that Margaret had based her "Go-Live" support as a member of the QHIC Board that approved the "Go-Live" on 24 March 2010 on inaccurate or incomplete information provided to her.
60. Other reviews undertaken during the first year of the SAP Health Payroll included a review by KPMG in the early phases (which basically recommended some steps to stabilise the Payroll System), a later review (report September 2010) by Ernst and Young regarding the suitability of the SAP/Workbrain products (I recall that the review recommended continued use of both products) and a review by PricewaterhouseCoopers (PwC) later in the year (report September 2010) regarding the future of Shared Services and a model for future rollouts and responsibilities. Either Natalie MacDonald or I were on various committees that received progress reports from the KPMG and PwC reviews. All reports were presented to Government and I assume the Commission has copies. I understood that the recommendations of the reports were implemented by the respective agencies including DPW. I had additional roles in the recommendations of the PwC Report as I had by this time also been appointed Queensland Government Chief Information Officer by the Premier.
61. IBM had made overtures to me back in August 2009 about "next steps" in rolling the SAP payroll onto other agencies as per the original Treasury plans. When raised then, emails of 25 August confirm that my key priority was Health replacement of Lattice and when suggested again in 2010, I made it clear that nothing would be happening until the Health payroll was stable and all defects fixed. Post the Auditor-General's Report (and

Malcolm Grierson:



Witness signature:





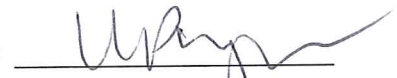
even prior to that) discussions had occurred regarding the future of IBM even within the Health Payroll Project and the issue of terminating IBM was raised. Legal advice had been obtained by DPW and I believe that Minister Lucas had obtained his own personal legal advice regarding the possible success or otherwise of a legal battle with IBM. Whilst this was important, my main concerns related to the ability of CorpTech to support the system during each fortnightly pay cycle if IBM withdrew their 30 staff (some of which were extremely critical and near impossible to replace in the short term). I advised Premier's Department that terminating IBM immediately would put enormous risks on the Health payroll. I needed time for CorpTech to negotiate a transfer of skills from IBM, to get IBM agreement to allow CorpTech to engage key consultants, to get agreement to allow CorpTech to take over the Infor Workbrain experts, and to get agreement from IBM for IBM to finish certain defect rectification. These comments were taken to Cabinet in July 2010 which resulted in a cabinet decision authorising me to negotiate a "Supplemental Agreement" with IBM within certain specified parameters, with a view to CorpTech taking over total support for the technical aspects of the Payroll from IBM by year end.

62. Both IBM and the State Government had engaged legal teams by this stage (Blake Dawson/IBM; Clayton Utz/CorpTech) and over the next few months, these teams negotiated a settlement within the parameters set by Cabinet/CBRC. CBRC approved the Supplemental Agreement with IBM on 26 August 2010. By 31 October, IBM had basically withdrawn from the project and CorpTech had taken over the technical support function. The specifics of the final agreement are provided in Cabinet documents available to the Commission. In summary, IBM rectified an agreed set of defects; IBM released all the critical technical consultants needed by CorpTech to run the payroll; some outstanding payments to IBM were paid/some withheld; the State and IBM withdrew all existing contract notices and actions; IBM was released from future warranty obligations as parties other than IBM would be amending and supporting the system.

Malcolm Grierson:



Witness signature:



63. Final information to the CBRC regarding the State's relationship with IBM was prepared in late 2010 but due to delays over the Christmas period and then changes to Cabinet membership, the submission advising of the final wash-up was submitted by Minister Simon Finn in April 2011. Lodgement of this CBRC Submission basically marked my final involvement in the Health Payroll prior to my retirement on 1 July 2011.
64. I was approached by the Commission of Inquiry to make this statement. I make this statement voluntarily. The contents of this statement are true and correct to the best of my knowledge. I acknowledge that any false or misleading statement could be an offence against the Commissions of Inquiry Act 1950 or contempt of the Commission.

**Declaration**

This written statement by me dated 24 APR 2013 and contained in the pages numbered 1 to 24 is true and correct to the best of my knowledge and belief.

Signed at 2. Brisbane Signature this 24th day of April 20 13

Witnessed: [Signature] Signature  
Name MARIA PUGH



# Shared Service Initiative

## Minutes

Shared Service CEO Governing Board Meeting  
15 April 2008 (9:00am – 10:30am)  
Conference Room, L level 9, Executive Building

Members	Organisation	Present/ Apologies	Proxy
Gerard Bradley (Chair)	Queensland Treasury	P	
Mal Grierson	Dept of Public Works	P	
Ken Smith	Dept of Premier and Cabinet	A	Walter van der Merwe
Rachel Hunter	Dept of Education Training & the Arts	P	
Andrew Wilson	Queensland Health	A	Michael Kalimnios
Julie Grantham	Dept of Justice and Attorney General	P	
Scott Spencer	Dept of Natural Resources & Water	P	
James Purtill	Office of the Public Service Commissioner	A	
Standing Representatives	Organisation	Present/ Apologies	Proxy
Barbara Perrott	CorpTech	P	
Observers	Organisation	Present/ Apologies	
Dr Leo Keliher	Service Delivery and Performance Commission	P	
Invited Guests	Organisation	Present/ Apologies	
David Ford	Queensland Treasury	A	
Mike Burnheim	Shared Service Agency	P	
Stan Sielaff	Corporate and Professional Services	P	
Paul Monaghan	Health Shared Service Partner	P	
Declan McNamara	SSI Strategy and Reporting	P	

Secretariat: Paula Pratt, Strategy and Reporting Office

Meeting Opened: 9:05am

### Welcome

Mr Gerard Bradley (Chair) welcomed Board Members to the meeting, noted apologies and acknowledged proxies.

### ITEM 1: Confirmation of Minutes

The minutes of the previous meeting held on 10 December 2007, were confirmed as a true and accurate record.

### ITEM 2: Actions arising from previous Minutes

Mr Bradley referred the Board members to the completed actions from the 10 December 2007 meeting and noted that as this was an extra-ordinary meeting, normal reporting requirements had not been included. It was agreed that any required reporting would be circulated out of session.

BOARD ACTIONS – Item No 2	
The Board: noted the Action from the 10 December 2007 meeting.	
Further action to be taken	Action Officer
SSI Strategy & Reporting to distribute any required reporting out-of-session.	Executive Director, CorpTech

WP

### ITEM 3: Revisions to SSI Approach

Barbara Perrott presented this item highlighting that the SSI has now matured to a level where it can be embedded as part of normal government operations

#### Governance discussion points:

- A streamlined governance structure will oversight the shared service model and finalisation of the business solutions. The Shared Service CEO Governing Board and the Executive Leadership Committee will cease to operate.
- CorpTech will transition to Department of Public Works from 1 July 2008. A small group will continue in Treasury in a monitoring role, ( eg monitoring of funding for the implementation of the business solutions and monitoring business improvement across agencies and providers).
- SSPs will drive projects previously centrally led, and greater emphasis will be placed on agencies and providers working together to standardise business processes and identify efficiency opportunities.
- Each SSP will retain responsibility for maintaining customer forums and governance mechanisms to support service delivery.
- The Committee noted the risk of agencies being dependent on the shared service provider to drive efficiency improvements. It was agreed that continued emphasis needed to be placed on providers operating as business units – with agencies required to actively undertake their corporate purchaser role. A performance monitoring and review process will be undertaken by the Shared Service CEO Sponsor Group.

#### Multiple Instance Approach discussion points:

- The multiple instance approach strengthens the capacity for investment decisions to be driven by business benefit opportunities. SSPs will work with their client agencies to identify areas where investment will provide the greatest return.
- Optimal standardisation of the business solutions will support common SSP processes and provide flexibility to meet different business drivers. IBM are able to provide advice on business process redesign.
- The importance of the SSA clients being brought into a standardised business environment (SSA instance) was highlighted as a critical success factor for the shared service model.

#### Funding model discussion points:

- The move to fee-for-service is a critical element in managing demand for services.
- The SSA costing and pricing model has been independently reviewed by BDO Kendalls.
- Benchmarking across SSPs and with other public and private sector entities will be important in order to leverage business improvement opportunities across the sector.
- \$55 million will be available for business solution implementation for phase 2 agencies.

#### BOARD DECISION – Item No 3

The Board endorsed:

In relation to governance:

1. revised shared service governance arrangements, including the formation of the Shared Service CEO Sponsor Group and the Executive Steering Committee
2. noted that whole-of-Government monitoring on the shared service model and corporate service performance will be integrated with existing planning and monitoring mechanisms
3. that a review of the CorpTech business model will be undertaken by March 2009.

In relation to the implementation of new business solutions:

4. the implementation of the multiple-instance approach.

In relation to the funding framework:

5. the proposed funding approach for consideration by the Cabinet Budget Review Committee including the move to fee for service and the savings and investment strategy over the period 2009-10 to 2012-13.



#### ITEM 4: SSA scope of services and transition arrangements

Mike Burnheim addressed this item

##### Discussion Points

- The SSA consulted with clients with regards: Annual Financial Statements, Follow-up of outstanding debt, Performance Management & Support, Learning & Development and Position Evaluations & Related Services, and recommends that where SSA currently provides the service they will retain it.
- Julie Grantham reported concerns expressed by the Department of Emergency Services regarding 'outstanding debt' services.
- The Committee agreed that the services nominated were ones where benefits could be achieved through shared service arrangements. In relation to the specific issue raised by DES, it was agreed that:
  - SSA would continue discussions with DES in relation to providing a process expert to review the process of 'outstanding debt' on an end-to-end basis
  - Within 12 months, if performance improvements to services are not achievable then the service would be returned to the agency.
- It was agreed that SSA services needed to be sourced by a critical mass of agencies in order to be viably delivered on a shared basis. Where the service was not viable, the SSA needed to have the option of returning the service to all agencies.

##### BOARD DECISION – Item 4

The Board **endorsed** its previous in-principle decisions to:

1. Return all out-of-scope services to Agencies.
2. Transition the following optional services back to Agencies:
  - Workplace Health and Safety – WH&S audits and administrative components
  - Employee Assistance Program – except Performance Management
  - Rewards and Recognition
  - Collection of revenue at point of sale
  - Undertaking physical stock takes
  - Physical holding of petty cash floats.
3. Transition Document and Records Management back to Agencies with mail services being retained by the SSA as a mandated service.
4. Fleet Support Services – QFleet and the SSA complete their joint review of fleet - acquisition, disposal, parking and pooling functions. Further consideration of the results of this review be undertaken by the Director-General, Department of Public Works.
5. In regard to the remaining five optional services, that:
  - Annual Financial Statements - SSA retains this service where it is currently provided.
  - Follow-up of outstanding debt - SSA retains this service where it is currently provided and also takes action to review service quality where appropriate.
  - Performance Management and Support - SSA continue to provide this service on an untied fee for service basis for those agencies seeking to purchase this product from the SSA.
  - Learning and Development – SSA continue to provide this service on an untied fee for service basis for those agencies seeking to purchase this product from the SSA.
  - Position Evaluations and Related Services – The SSA retain this service for existing clients but the SSA review its service standards in conjunction with client agencies.
6. In regard to Strategic and Tactical Procurement, that:
  - SSA continues to provide tactical procurement services to those agencies which prefer the SSA to supply this service. Further discussion will be held with the QGCPO regarding this matter.

Further action to be taken	Action Officer
The SSA and DES to work together to identify efficiency improvements associated with the service of 'follow up of outstanding debt' and develop a process for a performance review of the service within a 12 month period.	Managing Director, SSA

**ITEM 5: Other Business**

**Discussion Points**

- Gerard Bradley highlighted that the new approach, whilst consistent with the overall intent of the SDPC Review of the SSI (March 2007), amends specific recommendations. Arrangements for future monitoring of applicable recommendations will need to be considered and formalised.
- Gerard Bradley thanked the members for their time and efforts on the Shard Service CEO Governing Board.

<b>BOARD ACTION – Item No 5</b>	<b>Action Officer</b>
Future monitoring arrangements in relation to the SDPC Review of the SSI to be determined, taking into account the revised approach to implementation.	Dr Leo Keliher / Barbara Perrott

**Meeting Closed: 10:30 am**