Australian Public Service
Employee Census 2021
10 May–11 June

HAVE YOUR SAY

Highlights Report
CASA

HAVE YOUR SAY

RESPONSES:

699 of 828

RESPONSE RATE:

84%

ENGINE

EXPLORING YOUR RESULTS

Take time to understand your report. Consider your response rate to determine how representative your results are of the views of your colleagues.

Most questions in this report have information about the proportion of colleagues responding positively, neutrally or negatively.

Identify the areas where you are performing well. These will tend to be high results which are notably above any comparative results. Celebrate these results.

Identify areas that need improvement. These will be the lower results, and/or those which are scoring notably below your comparators.

Generally a difference of -/+ 5 percentage points is worthy of attention, but the size of the group is important. Changes in small groups can be unreliable.

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EMPLOYEE ENGAGEMENT: SAY, STAY, STRIVE

HOW ENGAGED IS YOUR TEAM?

EMPLOYEE ENGAGEMENT SCORES AREN'T JUST ABOUT HOW MUCH PEOPLE LIKE WORKING FOR AN AGENCY. IT IS A MEASURE OF THE EMOTIONAL CONNECTION AND COMMITMENT EMPLOYEES HAVE TO WORKING FOR THE AGENCY.

YOUR EMPLOYEE ENGAGEMENT SCORE — 69%

		RESPONSE SCALE	% POSITIVE	VARIANCE FROM APS OVERALL -3	VARIANCE FROM SPECIALIST AGENCIES -6 ⬇	VARIANCE FROM MEDIUM SIZED AGENCIES -5 ⬇
SAY	Overall, I am satisfied with my job	64 / 18 / 18	64%	-10 ⬇	-12 ⬇	-10 ⬇
	I am proud to work in my agency	70 / 19 / 11	70%	-6 ⬇	-14 ⬇	-9 ⬇
	I would recommend my agency as a good place to work	48 / 29 / 23	48%	-20 ⬇	-24 ⬇	-18 ⬇
	I believe strongly in the purpose and objectives of my agency	81 / 13	81%	-2	-6 ⬇	-6 ⬇
STAY	I feel a strong personal attachment to my agency	61 / 24 / 14	61%	-3	-10 ⬇	-6 ⬇
	I feel committed to my agency's goals	79 / 17	79%	-3	-6 ⬇	-6 ⬇
STRIVE	I suggest ideas to improve our way of doing things	87 / 11	87%	+2	0	-1
	I am happy to go the 'extra mile' at work when required	92	92%	0	0	-1
	I work beyond what is required in my job to help my agency achieve its objectives	82 / 14	82%	-1	-2	-2
	My agency really inspires me to do my best work every day	38 / 36 / 27	38%	-19 ⬇	-22 ⬇	-20 ⬇

KEY

⬆ AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR

⬇ AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

Positive   Neutral   Negative

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LEADERSHIP

IMMEDIATE SUPERVISOR	RESPONSE SCALE			% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
My supervisor engages with staff on how to respond to future challenges	69	17	14	**69**%	-10 ⊗	-10 ⊗	-9 ⊗
My supervisor can deliver difficult advice whilst maintaining relationships	70	20	10	**70**%	-8 ⊗	-8 ⊗	-8 ⊗
My supervisor invites a range of views, including those different to their own	73	15	12	**73**%	-7 ⊗	-7 ⊗	-6 ⊗
My supervisor encourages my team to regularly review and improve our work	66	20	13	**66**%	-14 ⊗	-12 ⊗	-11 ⊗
My supervisor is invested in my development	60	23	17	**60**%	-13 ⊗	-13 ⊗	-12 ⊗
My immediate supervisor encourages me	66	22	13	**66**%	-10 ⊗	-11 ⊗	-10 ⊗
My supervisor ensures that my workgroup delivers on what we are responsible for	79	15		**79**%	-7 ⊗	-8 ⊗	-6 ⊗
My supervisor provides me with helpful feedback to improve my performance	61	22	17	**61**%	-13 ⊗	-12 ⊗	-12 ⊗

KEY	⊕	AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR	⊗	AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR	Positive Neutral Negative

LEADERSHIP

IMMEDIATE SES MANAGER	RESPONSE SCALE			% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
My SES manager clearly articulates the direction and priorities for our area	48	24	28	48%	-19 ⬇	-18 ⬇	-17 ⬇
My SES manager presents convincing arguments and persuades others towards an outcome	46	27	27	46%	-15 ⬇	-16 ⬇	-15 ⬇
My SES manager promotes cooperation within and between agencies	48	33	19	48%	-18 ⬇	-18 ⬇	-19 ⬇
My SES manager encourages innovation and creativity	48	26	26	48%	-16 ⬇	-15 ⬇	-14 ⬇
My SES manager creates an environment that enables us to deliver our best	42	26	32	42%	-20 ⬇	-20 ⬇	-19 ⬇
My SES manager ensures that work effort contributes to the strategic direction of the agency and the APS	56	27	17	56%	-17 ⬇	-19 ⬇	-18 ⬇

ALL SES	RESPONSE SCALE			% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
In my agency, the SES work as a team	26	30	44	26%	-27 ⬇	-27 ⬇	-23 ⬇
In my agency, the SES clearly articulate the direction and priorities for our agency	28	30	43	28%	-32 ⬇	-31 ⬇	-28 ⬇

KEY ⬆ AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR ⬇ AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

Positive Neutral Negative

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COMMUNICATION AND CHANGE

	RESPONSE SCALE	% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
My supervisor communicates effectively	72 / 14 / 13	72%	-9 ⬇	-10 ⬇	-8 ⬇
My SES manager communicates effectively	49 / 20 / 30	49%	-20 ⬇	-20 ⬇	-18 ⬇
In my agency, communication between SES and other employees is effective	23 / 26 / 50	23%	-28 ⬇	-25 ⬇	-23 ⬇
Internal communication within my agency is effective	32 / 26 / 42	32%	-25 ⬇	-26 ⬇	-22 ⬇
When changes occur, the impacts are communicated well within my workgroup	44 / 19 / 37	44%	-22 ⬇	-24 ⬇	-22 ⬇
Staff are consulted about change at work	24 / 36 / 40	24%	-21 ⬇	-20 ⬇	-19 ⬇
Change is managed well in my agency	14 / 21 / 65	14%	-29 ⬇	-27 ⬇	-25 ⬇

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Positive Neutral Negative

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WORKPLACE CONDITIONS

	RESPONSE SCALE	% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
My job gives me opportunities to utilise my skills	80 / 9 / 11	**80**%	-4	-8 ⬇	-7 ⬇
I have a choice in deciding how I do my work	64 / 27 / 9	**64**%	+2	-9 ⬇	-6 ⬇
Where appropriate, I am able to take part in decisions that affect my job	54 / 22 / 23	**54**%	-13 ⬇	-17 ⬇	-15 ⬇
I am clear what my duties and responsibilities are	69 / 20 / 11	**69**%	-9 ⬇	-9 ⬇	-9 ⬇
I am satisfied with the recognition I receive for doing a good job	50 / 24 / 26	**50**%	-16 ⬇	-19 ⬇	-16 ⬇
I am fairly remunerated (e.g. salary, superannuation) for the work that I do	67 / 17 / 16	**67**%	+2	+3	+4
I am satisfied with my non-monetary employment conditions (e.g. leave, flexible work arrangements, other benefits)	79 / 13 / 8	**79**%	+2	-1	+3
I am satisfied with the stability and security of my job	69 / 16 / 15	**69**%	-11 ⬇	-7 ⬇	-8 ⬇
I am confident that if I requested a flexible work arrangement, my request would be given reasonable consideration	75 / 14 / 11	**75**%	0	-5 ⬇	-2

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WORKPLACE CONDITIONS

	RESPONSE SCALE		% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
I feel a strong personal attachment to the APS	41	40	19	41%	-22 ⬇	-16 ⬇	-18 ⬇
I understand how my role contributes to achieving an outcome for the Australian public	83	10		83%	-7 ⬇	-8 ⬇	-7 ⬇
I believe strongly in the purpose and objectives of the APS	64	32		64%	-18 ⬇	-17 ⬇	-18 ⬇

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WORKPLACE CONDITIONS

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES

What best describes your current workload?

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
Well above capacity – too much work		**32**%	+7 ⬆	+6 ⬆	+2
Slightly above capacity – lots of work to do		**38**%	-2	-4	-2
At capacity – about the right amount of work to do		**22**%	-6 ⬇	-4	-3
Slightly below capacity – available for more work		**5**%	0	0	0
Well below capacity – not enough work		**3**%	+1	+2	+2

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INCLUSION

	RESPONSE SCALE			% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
My agency supports and actively promotes an inclusive workplace culture	68	21	12	**68**%	-12 ⬇	-13 ⬇	-10 ⬇
My supervisor actively supports people from diverse backgrounds	75	22		**75**%	-4	-4	-2
I receive the respect I deserve from my colleagues at work	75	16	8	**75**%	-5 ⬇	-4	-5 ⬇

KEY	⬆	AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR	⬇	AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR	Positive Neutral Negative

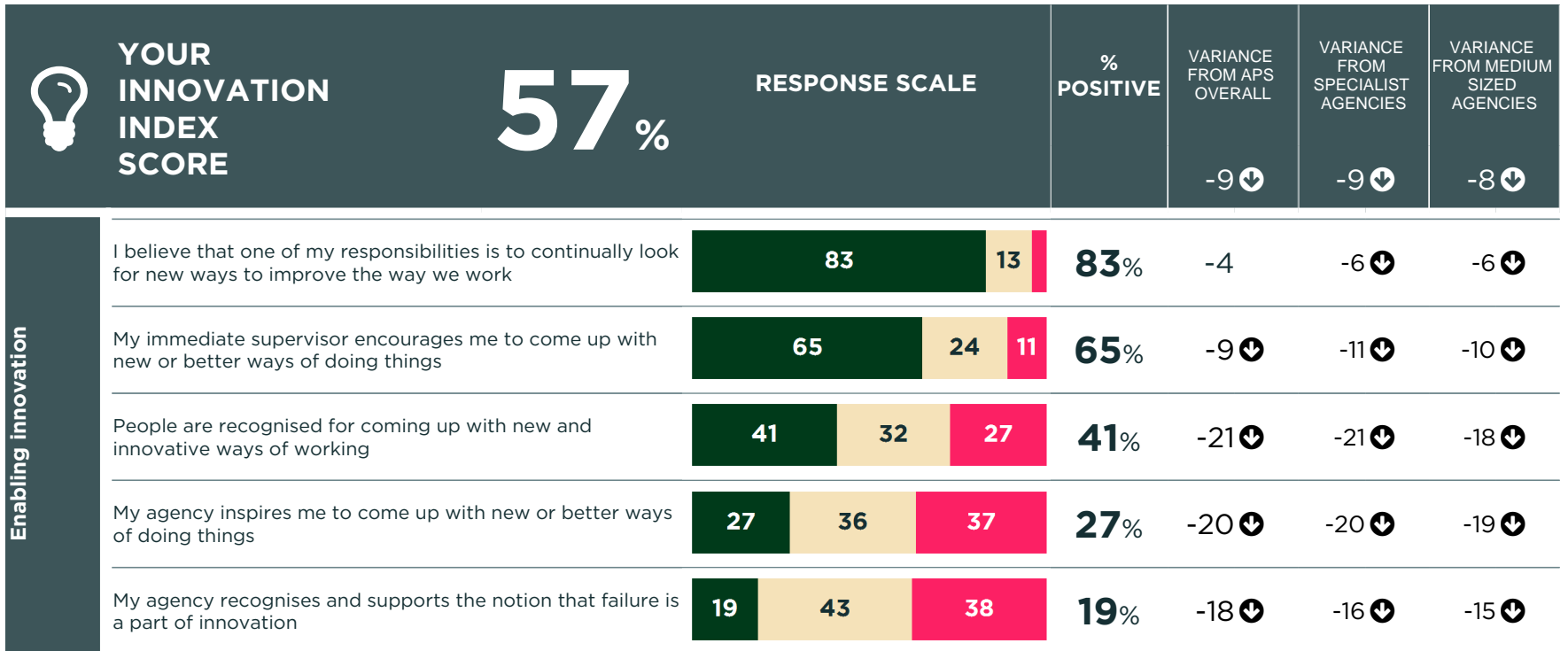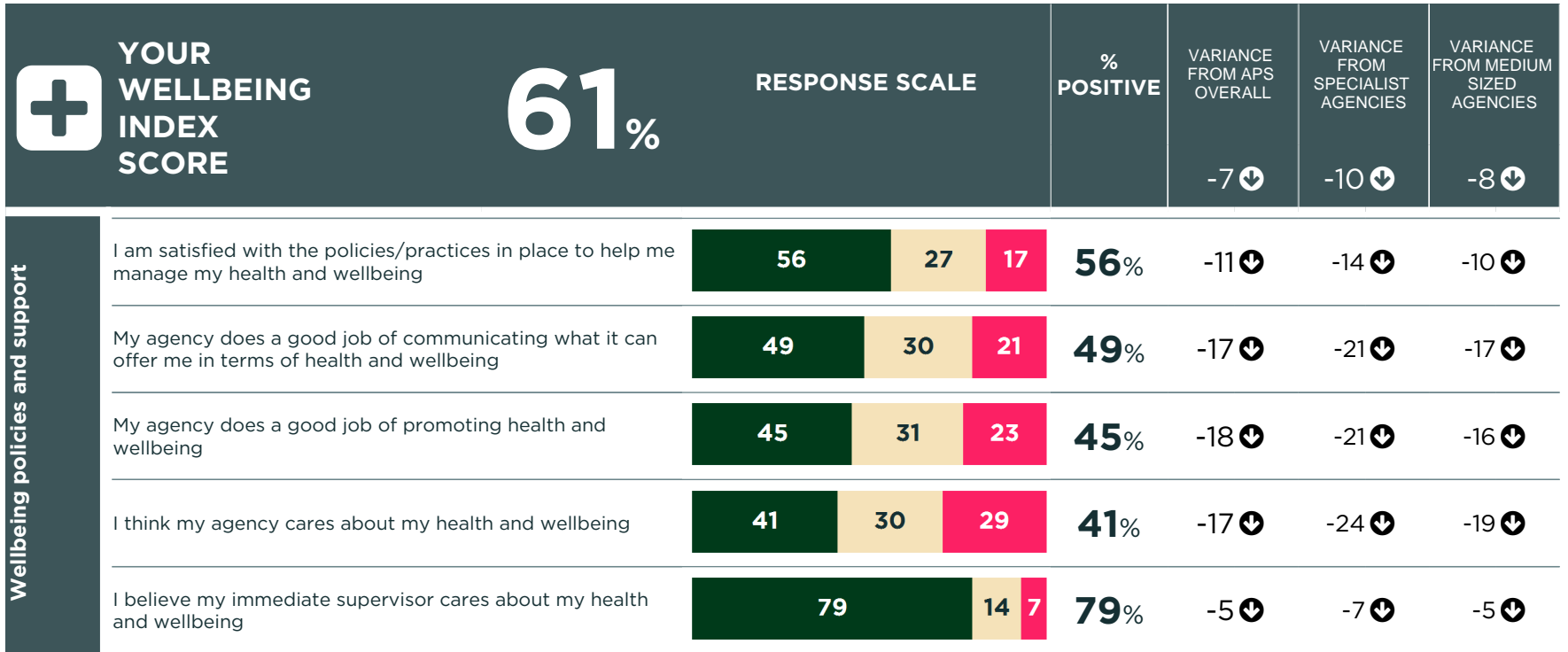Australian Government
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ENABLING INNOVATION

ENABLING INNOVATION

THE INNOVATION SCORE ASSESSES BOTH WHETHER EMPLOYEES FEEL WILLING AND ABLE TO BE INNOVATIVE, AND WHETHER THEIR AGENCY HAS A CULTURE WHICH ENABLES THEM TO BE SO.

YOUR INNOVATION INDEX SCORE 57%	RESPONSE SCALE	% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
			-9 ⬇	-9 ⬇	-8 ⬇
I believe that one of my responsibilities is to continually look for new ways to improve the way we work	83 / 13	83%	-4	-6 ⬇	-6 ⬇
My immediate supervisor encourages me to come up with new or better ways of doing things	65 / 24 / 11	65%	-9 ⬇	-11 ⬇	-10 ⬇
People are recognised for coming up with new and innovative ways of working	41 / 32 / 27	41%	-21 ⬇	-21 ⬇	-18 ⬇
My agency inspires me to come up with new or better ways of doing things	27 / 36 / 37	27%	-20 ⬇	-20 ⬇	-19 ⬇
My agency recognises and supports the notion that failure is a part of innovation	19 / 43 / 38	19%	-18 ⬇	-16 ⬇	-15 ⬇

KEY

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WELLBEING POLICIES AND SUPPORT

WELLBEING

THE WELLBEING SCORE PROVIDES A MEASURE OF THE PRACTICAL AND CULTURAL ELEMENTS THAT ALLOW FOR A SUSTAINABLE AND HEALTHY WORKING ENVIRONMENT.

➕ YOUR WELLBEING INDEX SCORE	61%	RESPONSE SCALE			% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
						-7 ⬇	-10 ⬇	-8 ⬇
I am satisfied with the policies/practices in place to help me manage my health and wellbeing		56	27	17	56%	-11 ⬇	-14 ⬇	-10 ⬇
My agency does a good job of communicating what it can offer me in terms of health and wellbeing		49	30	21	49%	-17 ⬇	-21 ⬇	-17 ⬇
My agency does a good job of promoting health and wellbeing		45	31	23	45%	-18 ⬇	-21 ⬇	-16 ⬇
I think my agency cares about my health and wellbeing		41	30	29	41%	-17 ⬇	-24 ⬇	-19 ⬇
I believe my immediate supervisor cares about my health and wellbeing		79	14	7	79%	-5 ⬇	-7 ⬇	-5 ⬇

Wellbeing policies and support

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Positive Neutral Negative

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WELLBEING

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
How often do you find your work stressful?					
Always		**5**%	0	+1	-1
Often		**32**%	+3	+6 ⬆	+3
Sometimes		**45**%	-3	-5 ⬇	-3
Rarely		**16**%	0	-2	0
Never		**2**%	0	0	+1
To what extent is your work emotionally demanding?					
To a very large extent		**8**%	-1	+2	-1
To a large extent		**26**%	+3	+7 ⬆	+4
Somewhat		**39**%	-1	-2	0
To a small extent		**18**%	-3	-7 ⬇	-4
To a very small extent		**9**%	+2	0	+1

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WELLBEING

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
I feel burned out by my work					
Strongly agree		**8**%	-1	0	-2
Agree		**28**%	+3	+4	+4
Neither agree nor disagree		**34**%	+3	+4	+4
Disagree		**23**%	-4	-6 ⬇	-5 ⬇
Strongly disagree		**6**%	-1	-2	-1
In general, would you say that your health is:					
Excellent		**12**%	0	-1	0
Very good		**35**%	0	-1	0
Good		**34**%	-2	-1	-2
Fair		**17**%	+3	+4	+4
Poor		**2**%	-1	-1	-1

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PERFORMANCE

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES

In the last month, please rate your workgroup's overall performance:

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
Excellent		18%	-8 ⬇	-10 ⬇	-10 ⬇
Very good		52%	-3	-3	-2
Average		24%	+8 ⬆	+10 ⬆	+8 ⬆
Below average		4%	+2	+2	+2
Well below average		2%	+1	+2	+1

In the last month, please rate your agency's success in meeting its goals and objectives:

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
Excellent		5%	-10 ⬇	-12 ⬇	-9 ⬇
Very good		37%	-19 ⬇	-20 ⬇	-18 ⬇
Average		36%	+12 ⬆	+14 ⬆	+11 ⬆
Below average		13%	+10 ⬆	+10 ⬆	+9 ⬆
Well below average		9%	+7 ⬆	+7 ⬆	+7 ⬆

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PERFORMANCE

	RESPONSE SCALE			% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
My workgroup has the appropriate skills, capabilities and knowledge to perform well	76	13	11	**76**%	-5 ⬇	-8 ⬇	-6 ⬇
My workgroup has the tools and resources we need to perform well	48	22	30	**48**%	-16 ⬇	-14 ⬇	-12 ⬇
The people in my workgroup use time and resources efficiently	68	20	11	**68**%	-9 ⬇	-11 ⬇	-9 ⬇
My workgroup can readily adapt to new priorities and tasks	78	14	8	**78**%	-8 ⬇	-9 ⬇	-8 ⬇
The people in my workgroup cooperate to get the job done	83	10		**83**%	-4	-6 ⬇	-5 ⬇

KEY	⬆	AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR	⬇	AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR	Positive Neutral Negative

EMPLOYEES WHO INDICATED THAT THEY WANTED TO LEAVE THEIR CURRENT POSITION AS SOON AS POSSIBLE OR WITHIN THE NEXT 12 MONTHS WERE ASKED WHAT THEIR PLANS WERE.

RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
Which of the following statements best reflects your current thoughts about working in your current position?				
I want to leave my position as soon as possible	**9**%	-1	0	-1
I want to leave my position within the next 12 months	**21**%	-1	0	-1
I want to stay working in my position for the next one to two years	**30**%	-7 ⬇	-10 ⬇	-9 ⬇
I want to stay working in my position for at least the next three years	**41**%	+9 ⬆	+9 ⬆	+11 ⬆
What best describes your plans involved with leaving your current position?				
I am planning to retire	**12**%	+6 ⬆	+6 ⬆	+7 ⬆
I am pursuing another position within my agency	**24**%	-18 ⬇	-4	0
I am pursuing a position in another agency	**30**%	+5 ⬆	-3	-9 ⬇
I am pursuing work outside the APS	**17**%	+6 ⬆	+2	+1
It is the end of my non-ongoing, casual or contracted employment	**4**%	0	-2	0
Other	**14**%	+1	+2	+1

KEY

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	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
What is the primary reason behind your desire to leave your current position? (3 highest responses):					
Senior leadership is of a poor quality	▉	**22**%	-	-	-
There is a lack of future career opportunities in my agency	▉	**20**%	-	-	-
I have achieved all I can in my current position	▉	**10**%	-	-	-

EMPLOYEES WHO WANTED TO LEAVE WERE ASKED FOR THE PRIMARY REASON BEHIND THEIR DESIRE TO LEAVE AND COULD SELECT ONE RESPONSE FROM A LIST OF ITEMS.

ONLY THE THREE REASONS FOR LEAVING WITH THE HIGHEST PROPORTION OF RESPONSES ARE PRESENTED HERE. THESE MAY VARY BETWEEN AGENCIES, WORK UNITS AND WITH RESULTS FOR THE APS OVERALL.

KEY

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UNACCEPTABLE BEHAVIOUR

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EMPLOYEES WHO HAD PERCEIVED DISCRIMINATION IN THE LAST 12 MONTHS IN THE COURSE OF THEIR EMPLOYMENT WERE ASKED WHAT THE BASIS WAS FOR THE DISCRIMINATION. EMPLOYEES COULD SELECT ONE OR MORE RESPONSES FROM A LIST OF ITEMS.

ONLY THE THREE TYPES OF DISCRIMINATION WITH THE HIGHEST PROPORTION OF RESPONSES ARE PRESENTED HERE. THESE MAY VARY BETWEEN AGENCIES, WORK UNITS AND WITH RESULTS FOR THE APS OVERALL.

DISCRIMINATION	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
During the last 12 months and in the course of your employment, have you experienced discrimination on the basis of your background or a personal characteristic?					
Yes		15%	+4	+6 ⬆	+6 ⬆
No		85%	-4	-6 ⬇	-6 ⬇
Did this discrimination occur in your current agency?					
Yes		94%	0	+2	+2
No		6%	0	-2	-2
Basis for the discrimination that you experienced (3 highest responses):					
Gender		49%	-	-	-
Age		26%	-	-	-
Race		20%	-	-	-

KEY

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UNACCEPTABLE BEHAVIOUR

EMPLOYEES WHO PERCEIVED HARASSMENT OR BULLYING IN THE LAST 12 MONTHS WERE ASKED WHAT TYPE OF HARASSMENT OR BULLYING THEY EXPERIENCED. EMPLOYEES COULD SELECT ONE OR MORE RESPONSES FROM A LIST OF ITEMS.

ONLY THE THREE TYPES OF HARASSMENT OR BULLYING WITH THE HIGHEST PROPORTION OF RESPONSES ARE PRESENTED HERE. THESE MAY VARY BETWEEN AGENCIES, WORK UNITS AND WITH RESULTS FOR THE APS OVERALL.

HARASSMENT AND BULLYING	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
During the last 12 months, have you been subjected to harassment or bullying in your current workplace?					
Yes		17%	+6 ⬆	+9 ⬆	+7 ⬆
No		75%	-7 ⬇	-10 ⬇	-8 ⬇
Not sure		8%	+1	+2	+2
Types of harassment or bullying experienced (3 highest responses):					
Verbal abuse (e.g. offensive language, derogatory remarks, shouting or screaming)		43%	-	-	-
Inappropriate and unfair application of work policies or rules (e.g. performance management, access to leave, access to learning and development)		39%	-	-	-
Interference with work tasks (e.g. withholding needed information, undermining or sabotage)		34%	-	-	-
Did you report the harassment or bullying?					
I reported the behaviour in accordance with my agency's policies and procedures		33%	-1	+3	-1
It was reported by someone else		10%	+2	+4	+3
I did not report the behaviour		58%	-2	-6 ⬇	-2

KEY ⬆ AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR   ⬇ AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

EMPLOYEES WHO INDICATED THAT THEY HAD WITNESSED POTENTIAL CORRUPT BEHAVIOUR WERE ASKED TO DESCRIBE THE BEHAVIOUR. EMPLOYEES COULD SELECT ONE OR MORE RESPONSES FROM A LIST OF ITEMS.

ONLY THE THREE TYPES OF CORRUPT BEHAVIOURS WITH THE HIGHEST PROPORTION OF RESPONSES ARE PRESENTED HERE. THESE MAY VARY BETWEEN AGENCIES AND WITH RESULTS FOR THE APS OVERALL.

CORRUPTION

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
Excluding behaviour reported to you as part of your duties, in the last 12 months have you witnessed another APS employee in your agency engaging in behaviour that you consider may be serious enough to be viewed as corruption?					
Yes		**11**%	+7 ⬆	+8 ⬆	+8 ⬆
No		**75**%	-14 ⬇	-15 ⬇	-15 ⬇
Not sure		**9**%	+4	+5 ⬆	+4
Would prefer not to answer		**5**%	+2	+3	+3
Types of corrupt behaviours witnessed (3 highest responses):					
Cronyism-preferential treatment of friends, such as appointing them to positions without proper regard to merit		**88**%	-	-	-
Nepotism-preferential treatment of family members, such as appointing them to positions without proper regard to merit		**17**%	-	-	-
Acting (or failing to act) in the presence of an undisclosed conflict of interest		**16**%	-	-	-
Did you report the potentially corrupt behaviour?					
I reported the behaviour in accordance with my agency's policies and procedures		**12**%	-8 ⬇	-2	-6 ⬇
It was reported by someone else		**7**%	-9 ⬇	-3	-5 ⬇
I did not report the behaviour		**82**%	+17 ⬆	+5 ⬆	+12 ⬆

KEY ⬆ AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR   ⬇ AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

DEMOGRAPHICS

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
How do you describe your gender?					
Man or male		**59**%	+22 ⬆	+17 ⬆	+22 ⬆
Woman or female		**35**%	-24 ⬇	-18 ⬇	-23 ⬇
Non-binary		**0**%	0	0	0
I use a different term		**0**%	0	0	0
Prefer not to say		**5**%	+2	+1	+1
Do you identify as an Australian Aboriginal and/or Torres Strait Islander person?					
Yes		**3**%	-1	0	0
No		**97**%	+1	0	0
Do you have an ongoing disability?					
Yes		**8**%	-1	+1	0
No		**92**%	+1	-1	0

KEY	⬆	AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR	⬇	AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

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DEMOGRAPHICS

	RESPONSE SCALE	%	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
Do you have carer responsibilities?					
Yes		**35**%	-4	-5 ⬇	-5 ⬇
No		**65**%	+4	+5 ⬆	+5 ⬆
Do you identify as Lesbian, Gay, Bisexual, Transgender and/or gender diverse, Intersex, Queer, Questioning and/or Asexual (LGBTIQA+)?					
Yes		**5**%	-2	-3	-3
No		**95**%	+2	+3	+3
In which country were you born?					
Australia		**71**%	-6 ⬇	-5 ⬇	-6 ⬇
Other country		**29**%	+6 ⬆	+5 ⬆	+6 ⬆
Do you speak a language other than English at home?					
No, English only		**85**%	+4	+4	+3
Yes, other		**15**%	-4	-4	-3

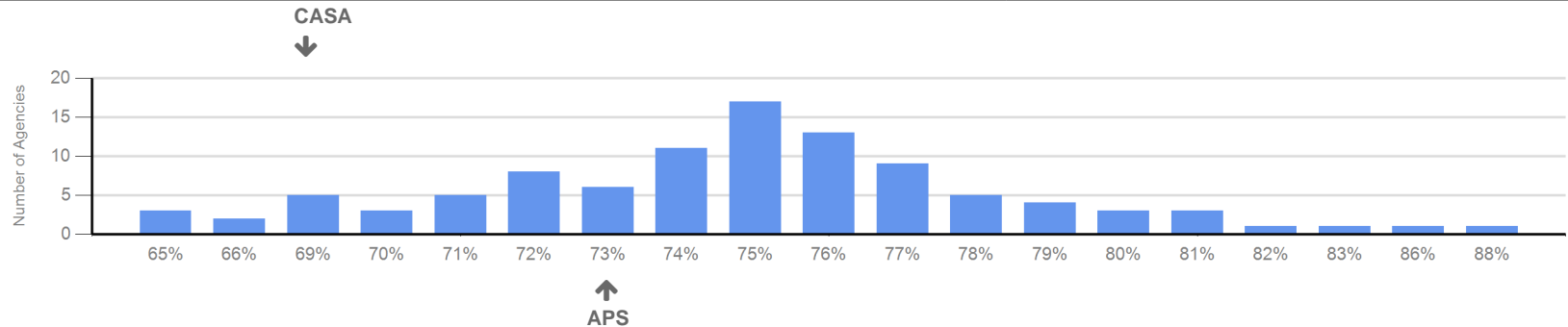| KEY	⬆ AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR	⬇ AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

AGENCY POSITION

THESE GRAPHS DISPLAY THE OVERALL INDEX SCORE OF EACH AGENCY FOR THE EMPLOYEE ENGAGEMENT, WELLBEING AND INNOVATION INDICES. THESE ARE TO ASSIST YOU TO SEE WHERE YOUR AGENCY SITS IN COMPARISON TO THE OVERALL APS INDEX SCORE AND THE SCORES OF OTHER AGENCIES.

ALONG THE LINE (Y-AXIS) ARE THE INDEX SCORES. THE HEIGHT OF THE BAR (X-AXIS) IS HOW MANY AGENCIES HAVE THAT INDEX SCORE.

PLEASE NOTE, THE Y-AXIS VALUES ARE NOT CONSECUTIVE AS ONLY INDEX SCORES RECEIVED BY AN AGENCY ARE REPRESENTED.
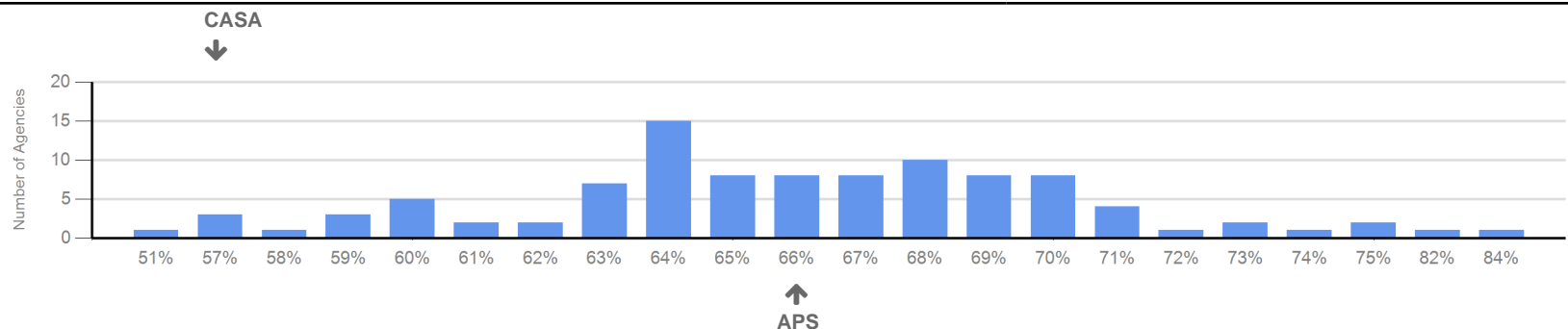
Engagement
Ranking : 92nd of 101

Wellbeing
Ranking : 93rd of 101
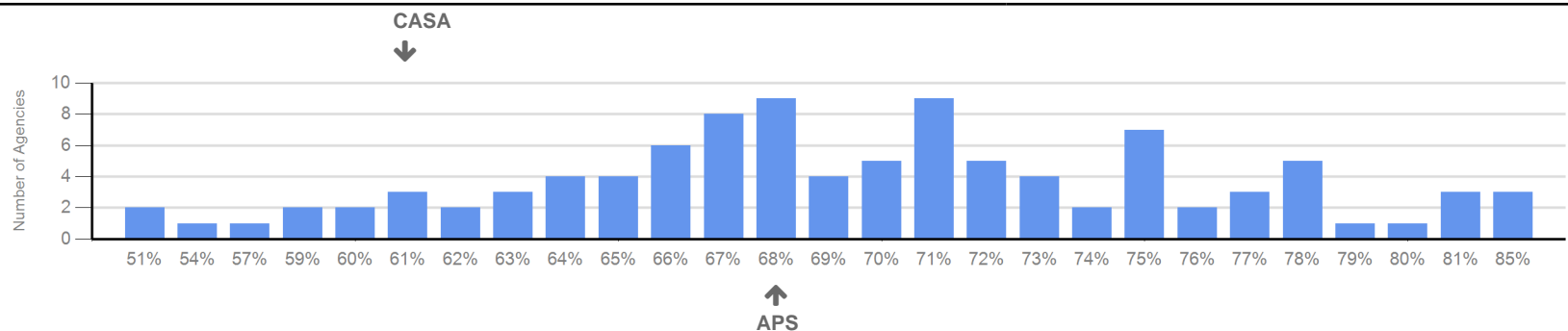
Innovation
Ranking : 98th of 101

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SUGGESTED QUESTIONS TO FOCUS ON

WHAT TO FOCUS ON?

THESE KEY QUESTIONS HAVE BEEN IDENTIFIED AS BEING IMPORTANT TO EMPLOYEES IN YOUR AGENCY AND ASSOCIATED WITH EMPLOYEE ENGAGEMENT.

THEY ARE NOT NECESSARILY THE QUESTIONS WITH THE LOWEST SCORES.

SOME WILL BE AREAS TO IMPROVE UPON AND SOME WILL BE AREAS TO MAINTAIN.

DEVELOP ACTIONS AND ACTIVITIES TO IMPROVE UPON THESE, WHERE POSSIBLE, TO DRIVE HIGHER LEVELS OF PERFORMANCE.

⬆ AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR

⬇ AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

		% POSITIVE	VARIANCE FROM APS OVERALL	VARIANCE FROM SPECIALIST AGENCIES	VARIANCE FROM MEDIUM SIZED AGENCIES
.1	My agency inspires me to come up with new or better ways of doing things	27%	-20⬇	-20⬇	-19⬇
.2	My agency supports and actively promotes an inclusive workplace culture	68%	-12⬇	-13⬇	-10⬇
.3	Internal communication within my agency is effective	32%	-25⬇	-26⬇	-22⬇
.4	I am satisfied with the recognition I receive for doing a good job	50%	-16⬇	-19⬇	-16⬇
.5	Change is managed well in my agency	14%	-29⬇	-27⬇	-25⬇
.6	My SES manager encourages innovation and creativity	48%	-16⬇	-15⬇	-14⬇

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CASA SPECIFIC QUESTIONS

	RESPONSE SCALE	% POSITIVE
I am comfortable raising workplace issues with my manager	74 / 14 / 12	**74**%
Promotions are fair and equitable / I feel favoritism is not a problem in CASA	22 / 28 / 50	**22**%
I am provided with appropriate support tools and resources to do my job	51 / 23 / 26	**51**%
I am able to complete my work without feeling unreasonably stressed	46 / 29 / 25	**46**%
I am able to perform my duties fully in the time available	49 / 27 / 25	**49**%
I understand the priorities of my work in the next six months	56 / 18 / 26	**56**%
I am looking forward to 2021-22 at CASA with enthusiasm	41 / 31 / 27	**41**%
I think CASA is moving in the right direction	39 / 31 / 30	**39**%
I am satisfied with the information I receive about things happening in CASA	42 / 29 / 29	**42**%
I understand CASA's future direction	37 / 30 / 33	**37**%

KEY

⬆ AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR

⬇ AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR

Positive Neutral Negative

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CASA SPECIFIC QUESTIONS

	RESPONSE SCALE	% POSITIVE
I have an awareness of CASA's change management methodology	32 | 27 | 41	**32**%
I understand the benefits of change management	70 | 20 | 10	**70**%
I understand my role in delivering / supporting change at work	58 | 26 | 16	**58**%
I am able to positively engage with change in my workplace	50 | 27 | 22	**50**%
The management of risk is an important strategy in the performance of my duties	74 | 19 |	**74**%

KEY	⬆	**AT LEAST 5 PERCENTAGE POINTS GREATER THAN COMPARATOR**	⬇	**AT LEAST 5 PERCENTAGE POINTS LESS THAN COMPARATOR**	Positive Neutral Negative

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TIME TO TAKE ACTION

CELEBRATE

What things do we do well?

_____

_____

_____

THINK ABOUT HOW WE CAN BUILD ON OUR STRENGTHS AND LEARN FROM WHAT WE ARE GOOD AT.

INVESTIGATE FURTHER WITH OUR TEAMS

Are there any other opportunities coming out of the results that we want to explore further?

_____

_____

_____

HOW COULD WE INVESTIGATE? THROUGH LOOKING AT THE DATA IN MORE DETAIL OR THROUGH DISCUSSIONS WITH STAFF?

OPPORTUNITIES

Areas we need to focus on and turn into action plans:

_____

_____

_____

WHAT ARE THE KEY THINGS WE NEED TO IMPROVE TO MAKE WORKING HERE BETTER?

USE THIS PAGE TO START YOUR LOCAL ACTION PLANS

IDENTIFY AREAS TO CELEBRATE, OPPORTUNITIES FOR IMPROVEMENT AND AREAS WHICH YOU NEED TO INVESTIGATE FURTHER.

PRIORITISE 3 AREAS TO TAKE FORWARD

PRIORITISE 3 AREAS FOR ACTION	TIMESCALES	OWNER	RESOURCES REQUIRED	TARGET/SUCCESS MEASURE
1				
2				
3				

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GUIDE TO THIS REPORT

% POSITIVE

WHERE RESULTS ARE SHOWN AS POSITIVE PERCENTAGES (% POSITIVE), THESE ARE CALCULATED BY ADDING TOGETHER POSITIVE RESPONSES ("STRONGLY AGREE" + "AGREE") AND DIVIDING BY THE NUMBER OF RESPONDENTS WHO ANSWERED THE QUESTION.
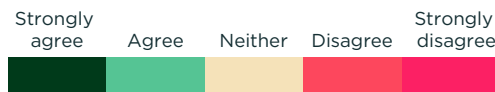
Strongly agree	Agree	Neither	Disagree	Strongly disagree

POSITIVE RESPONSE	Neutral response	Negative response

÷

number of respondents who answered the question

=

% POSITIVE

ROUNDING

RESULTS ARE PRESENTED AS WHOLE NUMBERS FOR EASE OF READING, WITH ROUNDING PERFORMED AT THE LAST STAGE OF CALCULATION FOR MAXIMUM ACCURACY. VALUES FROM X.00 TO X.49 ARE ROUNDED DOWN AND VALUES FROM X.50 TO X.99 ARE ROUNDED UP. THEREFORE IN SOME INSTANCES, RESULTS MAY NOT TOTAL 100%.

	STRONGLY AGREE	AGREE	NEITHER	DISAGREE	STRONGLY DISAGREE	TOTAL
NUMBER OF RESPONSES	151	166	176	96	24	613
PERCENTAGE	24.63%	27.08%	28.71%	15.66%	3.92%	100%
ROUNDED PERCENTAGE	25%	27%	29%	16%	4%	101%

NUMBER OF POSITIVE	151 + 166 = 317
% POSITIVE	317 ÷ 613 = 52%

ANONYMITY

IT IS ENGINE'S PRACTICE NOT TO DISPLAY THE RESULTS OF GROUPS OF RESPONDENTS TO THE EXTENT WHERE THE ANONYMITY OF INDIVIDUALS MAY BE COMPROMISED. RESULTS WILL NOT BE SHOWN WHERE THERE ARE LESS THAN 10 RESPONDENTS IN A GROUP.

Australian Government
Australian Public Service Commission

Australian Government
Civil Aviation Safety Authority

Enterprise Aviation Processing (EAP) System

Internal Audit Report

Date: 11 November 2022

Contents

1 Executive Summary

Introduction

As part of the 2022-23 Internal Audit Program, the Board Audit and Risk Committee (BARC), requested that Internal Audit conduct an audit of the implementation of the Enterprise Aviation Processing (EAP) system within the Civil Aviation Safety Authority (CASA).

The EMPIC Enterprise Aviation Processing system ("EMPIC-EAP®" or "EAP") is a software system created for aviation regulators to manage their safety and regulatory oversight obligations. CASA acquired EAP in 2011 through a direct source procurement to:

- replace the existing Aviation Industry Regulatory System (AIRS). CASA considered that AIRS never met its functionality expectations
- consolidate six major CASA Information and Communications Technology (ICT) systems (including AIRS) to provide CASA regulatory services and surveillance staff with a "single source of truth".

At the time EAP was introduced, CASA operated a distributed regulatory services and surveillance model, where staff in each region developed their own bespoke processes and systems to manage activities. CASA saw EAP as a platform to centralise and consolidate regulatory services and surveillance activities nationally, that would provide the following benefits (amongst others):

- improved regulatory services and surveillance operational effectiveness and efficiency
- improved data analytics capability to identify potential safety incidents before they occur
- the alignment of regulatory framework checklists and workflows across CASA.

Notably, when CASA purchased EAP in 2011, it assumed that implementing EAP would drive change from a "distributed" regulatory operating model to a centralised "national" regulatory operating model. This assumption was incorrect.[1] As a result, at the conclusion of the initial 2016 implementation project:

- not all EAP modules purchased were implemented as planned
- the project took three years longer than expected
- the project's original EAP implementation costs were significantly over budget (more the double the original budget of $9.1 million).

Between 2011 and 2017, CASA also developed and implemented an additional five new ICT systems as interim solutions, so it could develop and implement the new national operating model[2] and configure EAP correctly.[3] These five new systems duplicated the capability EAP was originally intended to provide CASA.

In 2020, CASA sought to reinvigorate EAP implementation through its *2021-25 Civil Aviation Safety Authority EAP Strategy* (the EAP Five Year Strategy[4]). This strategy specifies annual deliverables from 2020-21 to 2024-25 and establishes implementation principles and guidance for all aspects of EAP implementation.

Since the EAP Five Year Strategy was approved, CASA has managed EAP implementation through a series of annual projects, rather than as a multi-year strategic business change program.

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[1] The shift from one operating model to another required significant cultural change from CASA staff and senior management, as long-established business systems, processes and procedures needed considerable amendment and consolidation. This cultural shift was not fully considered when CASA attempted to implement EAP initially.

[2] This new national operating model was subsequently developed as part of the Regulatory Services and Surveillance Transformation program in late 2018.

[3] The five systems implemented by CASA while EAP was being implemented are identified and described in Appendix C.

[4] The EAP Five Year Strategy was approved by the CASA Board on 23 February 2021. See Appendix E for an overview of the EAP Five Year Strategy.

Audit objective and scope

The objective of the audit was to assess the effectiveness of CASA's administration of the EAP Project.

The scope of the internal audit included determining:

- whether CASA has effectively managed the EAP Project to date (phased outcomes, milestones and deliverables to date and across the EAP Five Year Strategy)
- the effectiveness of the governance framework in place to ensure the successful delivery of the project.

This included an examination of:

- project management, including ensuring that the change proposal process has appropriate controls that are adhered to, performance against phased deliverables to assess any impacts of potential delay or deficiencies in future years, including applying any lessons learnt
- risk management
- management of any contracts with external providers
- reporting arrangements, including those to the Board, and relevant Committees, are fit-for-purpose, complete and accurate
- financial management.

The audit also considered the findings of the EAP Management Initiated Review (July 2020) and other management reviews to ensure management has considered and implemented, as appropriate, the recommendations arising out of those reviews.

In addition, the audit considered findings and recommendations detailed in the Australian National Audit Office (ANAO) Auditor-General Report No. 28, 2021-22, *CASA Planning and Conduct of Surveillance Activities.*

Methodology

A detailed summary of the audit methodology, including specific interviewees, functions and documentation is provided in Appendix A.

Acknowledgement

Internal Audit would like to thank management and staff from the Guidance Transformation and Safety Systems Division (GTSS), Corporate Services Division (CSD) and Regulatory Oversight Division (ROD) for their time and assistance during this engagement.

Conclusion

Since it was introduced in 2011, CASA has made some progress to realise the benefits EAP can provide. In particular, CASA has: replaced an unsuitable aviation regulation system (AIRS); implemented the EAP Five Year Strategy; introduced a regulatory services case management system; and commenced work to nationalise regulatory services processes and procedures.

However overall, CASA has not managed the EAP Project effectively. Against the six variables used under better practice to assess project effectiveness[5]:

- timescales for EAP implementation have not been achieved. The 2011 EAP Implementation Project identified an implementation timeframe of two years (mid-2011 to mid-2013) to implement 19 EAP modules. Based on the EAP Five Year Strategy, the new implementation timeframe is mid-2025[6]

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[5] The six variables used to monitor and assess project effectiveness under PRINCE2® are: timescales; costs; quality; scope; benefits; and risk.

[6] Based on discussions with staff, and EAP implementation progress to date, Internal Audit considers it highly unlikely that CASA will realise all benefits specified in the EAP Five Year Strategy by mid-2025.

- EAP costs are significantly higher than the original budget. The original budget was $9.1 million. Based on expenditure as at 30 September 2022, a conservative estimate of actual EAP implementation costs is $39.5 million[7]
- the quality and functionality of the EAP system has not been delivered as intended originally. Significant elements of EAP's functionality have not been delivered to date, with some elements likely not to be delivered at all[8]
- CASA has not maintained a detailed scope relating to EAP implementation. That is, CASA has not maintained the extent to which it has implemented, and is intending to implement, EAP modules (or parts of modules) it has purchased, and what functionality these modules will provide[9]
- although EAP benefits have been identified, these benefits are inconsistent between project artefacts, and are not mapped clearly to EAP outputs and outcomes as required under better practice project and program management
- although project risks have been identified, these risks are not assessed accurately and managed actively. Also, risks applicable to the successful delivery of the EAP Five Year strategy have not been identified and managed.

As noted in the introduction above, CASA assumed implementing EAP would effect cultural change by shifting CASA from a "distributed" regulatory services and surveillance model, to a "national" operating model. This assumption was incorrect, as EAP can only be configured correctly once bespoke business systems, processes and procedures have been redesigned and consolidated. In addition to this incorrect assumption, Internal Audit identified a range of other factors that impacted the successful delivery of EAP adversely. These were:

- Since 2016, EAP implementation has been run as a series of annual projects rather than a program comprising multiple dependent business projects and workstreams. This has resulted in strategic EAP objectives not being managed and reported meaningfully.
- As EAP is not run as a program across multiple years, dependencies between business workstreams and EAP Projects are not identified early. As a result, EAP Projects have been delayed, and ICT resources underutilised, because business processes (prerequisites) have not been completed.
- Although the EAP Senior Responsible Officer (SRO) is accountable for the delivery of the EAP Project, they do not have visibility or control over key aspects of the project.
- EAP performance information is reported at a project level and does not provide a meaningful performance assessment against the implementation of the EAP Five Year Strategy and whether the strategy's benefits will be realised.
- Some project costs (mainly ICT costs) are tracked and accounted for. However, significant business costs and the costs associated with establishing, maintaining and decommissioning systems performing similar functions to EAP are not monitored and reported.
- Significant work elements critical to the successful implementation of EAP are not being monitored actively, or they are being managed as "Business as Usual (BAU) projects" with lower oversight and accountability than approved projects.
- The assurance framework used by the EAP Project is inadequate to identify and manage risks and issues applicable to the successful delivery of EAP.

Internal Audit made six high recommendations and one medium recommendation to improve the effectiveness of CASA's EAP implementation. Internal Audit also made one business improvement recommendation aimed at increasing assurance that EAP implementation has appropriate assurance scrutiny.

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[7] This budgeted amount significantly underestimates the total EAP implementation costs, as: the majority of business costs have not been included; staff overheads (other than those overheads relating to salary costs) have not been included; and the costs of interim systems implemented to provide EAP functionality while EAP is being configured have not been included.

[8] It is highly likely that CASA will not implement all elements of EAP functionality as specified in the EAP Five Year Strategy on time. Certain elements, including the medical module are unlikely to be implemented within originally intended timeframes. Internal Audit notes that a policy decision needs to be made regarding this.

[9] CASA did undertake some analysis of the extent to which EAP modules were implemented in 2019, and projected which modules would be implemented in the future. However, this analysis is not up-to-date, and does not provide a projected EAP future state. See Section 4.4.2.1 for further information on current status of EAP module utilisation.

2   Summary of Recommendations

Audit Recommendations

Audit Recommendation 1   Suggested Timeframe: 1-3 months - High

To ensure CASA's focus is on delivering an integrated system that provides (where possible) a "single source of truth" for CASA regulatory services and surveillance staff, Internal Audit recommends that the Chief Executive Officer:

1. except for the work already underway in 2022-23, pause the EAP Project to:

    ► assess and determine whether EAP (or elements of EAP) continues to be the most appropriate solution for managing all regulatory services and surveillance activities. This includes undertaking a cost-benefit analysis of EAP modules not already implemented, compared to alternative solutions

    ► reassess the desired outputs, outcomes and benefits of the EAP Five Year Strategy to determine whether these remain relevant. Based on this assessment, either update the strategy or develop a new strategy in accordance with Recommendation 4 of this report.

2. assess and where appropriate implement alternative EAP implementation management models including managing EAP as a strategic business change program rather than a series of annual projects.

Audit Recommendation 2   Suggested Timeframe: 1-3 months - High

To manage the EAP implementation effectively as a strategic business change program, Internal Audit recommends that, following the completion of Recommendation 1, the Chief Executive Officer commissions work to:

1. undertake a comprehensive process to identify all current and future business workstreams, BAU projects and approved projects applicable to the successful delivery of EAP

2. ensure that all relevant workstreams, BAU projects and approved projects have at a minimum:

    ► a start and end date

    ► appropriately allocated and documented resources

    ► an officer responsible for delivery.

3. develop a projects dossier / projects register in accordance with better practice. A projects dossier contains a summary description of all the projects, as well as their combined outputs and combined benefits.

Audit Recommendation 3   Suggested Timeframe: 1-3 months - High

To provide increased assurance that the management of EAP implementation is clear and accords with better practice, Internal Audit recommends that the Chief Executive Officer implements a robust program management structure that:

1. articulates responsibilities and accountabilities clearly. This management structure should specify who (or which organisational construct) is responsible for: sponsoring the EAP Program; owning EAP; managing and delivering the program (possibly a Program Board); and providing program assurance to the program sponsor

2. ensures adequate business involvement and accountability in the delivery of the program. This could include key Executive Manager membership of a Program Board (or equivalent) – see Appendix F for an example

3. ensures adequate separation in the roles of persons involved in the project to avoid conflicts of interest. In particular, there should be adequate separation between the group program sponsor, program delivery and program assurance in accordance with better practice

4. empowers the SRO to deliver the EAP Program. This includes allowing the SRO to establish their own project management structures, allowing them appropriate visibility of projects / workstreams upon which EAP is dependent, and providing them with adequate control over the program budget and resources.

Audit Recommendation 4   **Suggested Timeframe: 1-3 months - High**

To provide assurance that all EAP stakeholders have a clear picture of what EAP will look like once implemented, and what it will take to get there, Internal Audit Recommends that the Chief Executive Officer:

1. document the EAP 'current' state and 'future' state as part of a comprehensive Target Blueprint. This should include specification of who (which CASA functional area) will own EAP once it has been delivered

2. develop a comprehensive Program Management Plan, which clearly articulates how to transition from the 'current state' to the 'future state'. This includes an estimate of the total cost transitioning from the current state to the future state

3. clearly document program benefits based on the EAP 'future' state, and map those benefits to program outputs and outcomes.

Audit Recommendation 5   **Suggested Timeframe: 3-6 months - Medium**

To obtain assurance that CASA's investment portfolio is aligned appropriately to its strategic objectives, Internal Audit recommends that Chief Executive Officer align the roles and functions of the MPB to:

1. focus on the delivery of strategic programs to achieve CASA's strategic objectives, rather than individual projects

2. provide adequate assurance that the portfolio of projects will deliver CASA's strategic objectives.

Audit Recommendation 6   **Suggested Timeframe: 3-6 months - High**

To manage the risks and issues applicable to EAP implementation appropriately, Internal Audit recommends that, as part of an updated EAP Program management structure (see Recommendation 1), that the Chief Executive Officer, through the EPMO, ensures that:

1. all future EAP Programs and projects have an appropriate quality and assurance framework. This framework may include, but is not limited to: a quality and assurance strategy; a quality and assurance plan; and the engagement of a benefits realisation manager

2. ongoing program quality assurance reports are provided to, and reviewed, by the MPB.

Audit Recommendation 7   **Suggested Timeframe: 1-3 months - High**

Consistent with Recommendation 2 of this report, Internal Audit Recommends that the Chief Executive Officer develop and implement an EAP performance reporting framework that:

1. provides program level performance reports to key stakeholders including the MPB, CASA Executive Committee and the CASA Board

2. includes costs of business (Regulatory Oversight Division and National Operations and Standards Division) projects, workstreams and activities applicable to the delivery of EAP.

Business Process Improvement

Business Process Improvement Recommendation 1

To provide adequate assurance that the EPMO is effective in providing independent assurance regarding strategic programs such as the EAP, Internal Audit suggests that Chief Executive Officer reviews whether the present oversight arrangements for the EPMO best minimise the potential for conflicts of interest between program / project functions including program / project: management; service supply; oversight; and assurance.

Risk Rating

Risk Rating	Category Description
High	Those matters which pose significant risks for CASA and need to be addressed by appropriate level of management immediately from the date of notification of the matter/s.
Medium	Those matters which pose moderate risks for CASA or matters that have been referred to management in the past and have not been addressed satisfactorily.
Low	Those matters, including lack of management control, project management and communication skills of a non-systemic nature, and which pose minor risk for CASA.
Better Practice Improvement Recommendation (BIR)	The Internal Auditor considers that the recommendation, if implemented would result in a benefit to the organisation (for example, through a more efficient and/or cost-effective processes, a reduction of expenditure or an increase in revenue) and is to be considered by management in a timely manner.

Please refer to Appendix B of this report for CASA's Risk Matrix and for an explanation of the audit finding categories.

3   Contextual Information

3.1   What is the Enterprise Aviation Processing System?

The EAP system is a software system created for aviation regulators to manage their regulatory safety and security oversight responsibilities in accordance with the Standards and Recommended Practises issued by the International Civil Aviation Organization (ICAO) in accordance with the Chicago Convention. EAP is a modular, configurable and scalable system that can provide a wide range of functionality, including the management of aviation related licencing, aircraft certification and registration, accident and incident management, and other functions.

At the time of this audit, over 30 countries around the world use EAP to manage their aviation regulation requirements, including New Zealand, Thailand, Austria, Switzerland, France and Australia.

At the time of this audit, EAP comprised over 40 separate, fully integrated modules covering aviation regulators' remits, which can be deployed in total, or in part, to meet an individual regulator's needs. EAP is designed to manage tasks associated with accepting applications, making assessments, issuing approvals, together with subsequent continuing oversight (surveillance).

3.2   Why did CASA purchase the EAP system?

Since 2001, CASA sought to replace its aging and disconnected ICT regulatory systems with a single integrated system.[10] Between 2001 and 2006, CASA developed AIRS to manage CASA's client information (from both individuals and organisations) and permissions issued to those entities. The bespoke development and release of AIRS[11] cost approximately $39 million, with maintenance and improvement costs of approximately $2.4 million per annum.[12]

In late 2010, the then CASA Chief Information Officer (CIO) wrote to the then Director of Aviation Safety (DAS) and noted that AIRS never met CASA's expectations, was complex, rigid, and expensive to modify. The then CIO recommended that CASA commence an Expression of Interest (EOI) process to seek a replacement for AIRS, with the preferred option being a Commercial-Off-The-Shelf (COTS)[13] product.

In a minute, the then CIO stated that the intention was not only to replace AIRS functionality, but to consolidate all major CASA ICT regulatory systems covering the following regulatory activities: customer management; aircraft registration and ownership; surveillance; flight crew licencing; maintenance personnel licencing; medical records; and air operators.[14] The then CIO considered that consolidating regulatory systems in this way would provide CASA with a "single source of truth" for all its regulatory activities.

The then CIO proffered that only EMPIC's COTS product (EAP) met CASA's requirements. Consequently, EMPIC was the only provider approached to respond to the EOI process.[15] In mid-August 2010, CASA commenced the "investigation" and EOI process with EMPIC.

In mid-November 2010, the then CIO produced an EMPIC assessment report that determined EMPIC's EAP system is 'highly aligned' to CASA's processes, and that:

- EMPIC-EAP is the only commercially available product that satisfies CASA's requirements[16]

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[10] See Appendix C for an overview of the range of ICT systems CASA has used, and continues to use, to manage its regulatory responsibilities.

[11] A bespoke system refers to a custom-made product that is tailored to meet the individual requirements of the user.

[12] By the time AIRS was released in July 2006, CASA determined that: a further six AIRS data modules would be required to meet its requirements at an additional cost of $20 million; and the AIRS' application environment would need to be upgraded in 2011 at a cost of between $5 million to $7 million.

[13] COTS ICT products are software products that are to be used "as-is" without significant tailoring or alteration. COTS products are designed to be easily installed and configured to operate in different customer environments, and to interoperate with existing system components (for example Microsoft Office).

[14] All the ICT systems used by CASA as at 2010 are shown in Appendix C.

[15] The then CIO acknowledged that, under the Commonwealth Procurement Rules, a multi-million dollar ICT system (such as EAP) procurement would normally require an open tender approach. However, the then CIO noted (before the investigation was complete), only the EMPIC product could meet CASA's requirements.

[16] Internal Audit was not able to find any work undertaken by CASA to identify and assess other COTS products or bespoke products that could be used to support this finding.

- EMPIC-EAP is highly aligned to CASA's business requirements with only minor configuration. The product would replace AIRS and five other major CASA ICT systems[17]
- the majority of implementation issues are anticipated to be business[18] decisions regarding harmonisation of business rules and associated business change management and user training
- a program of work to implement EMPIC-EAP; which incorporates all costs to the organisation is likely to cost in the order of $10-12 million across a three year time period.

In June 2011, CASA completed a direct source procurement where EMPIC was selected to supply its EAP system to support the delivery of CASA's regulatory activities including:

- client management
- personnel licencing (including flight crew (medical) licencing, air navigation services (medical) licencing, flight crew licencing, air navigation services, and maintenance personnel licencing)
- management of technical areas (including type certification, aircraft registration, aircraft ownership, and flight simulation training devices)
- organisation approvals (including air operators, maintenance companies, flight schools, maintenance training organisations, production organisation approval, design organisation approval, airports, and air traffic management)
- on-line examinations
- surveillance and compliance management.

CASA purchased 19 modules at a total licence fee cost of $5.4 million (GST inclusive) and support service charges of $1.2 million (GST inclusive) per annum. Costs of customising EAP (software development, changes or modification), training and support, and project management were to be provided at an additional cost. The EAP modules purchased by CASA are shown at Appendix D.

3.3   The history of EAP system implementation at CASA

In late August 2011, CASA approved the EMPIC-EAP Implementation Project (the 2011 EAP Implementation Project).[19] Under this project, the full implementation of EAP modules was to be completed by mid-2013 at a total cost of $9.1 million. In justifying the timeframes and cost for the project, CASA made the following assumptions:

- EAP was already 'highly aligned' to CASA's processes in most areas
- a considerable amount of EAP product configuration (but very little customisation) would be required. That is, although CASA staff would need to adjust their current regulatory processes and procedures to align to EAP, CASA needed to tailor EAP modules to include appropriate terminology and operate in a way that was familiar to CASA staff.

In hindsight, these assumptions were incorrect. EAP is predicated on a consistent or centralised processing model, where CASA regulatory staff are required to follow nationally established regulatory processes and procedures regardless of where (which region) they are located. However, at the time EAP was introduced, CASA had a distributed regulatory services and surveillance model where staff in each region developed their own bespoke processes and systems to manage their activities. Moving from bespoke processes and systems to a centralised processing model represents a significant shift for CASA.

As a result, at the conclusion of the 2011 EAP Implementation Project:

- although CASA replaced AIRS functionality with EAP, it had not implemented many of the EAP modules purchased[20] in accordance with the original plan

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[17] These systems are described in Appendix C.

[18] For the purposes of this report "business" relates to the regulatory services and surveillance activities undertaken by the National Operations and Standards Division and Regulatory Oversight Division.

[19] The EMPIC-EAP Implementation Project was one of three projects under the URES-EMPIC Program. The other two projects under this program were the Data Cleansing and Migration Project ($1 million) and the Web Portal Project ($1.7 million).

[20] Unimplemented functionality included modules applicable to: client management; personnel licencing; organisation approvals; and surveillance.

- the implementation of some of the EAP modules took three years longer than planned. That is, the 2011 EAP Implementation Project was to be implemented by mid-2013, however the project was closed in mid-2016
- the project expended significantly more than the original budget of $9.1 million. At closure, the 2011 EAP Implementation Project cost $20.7 million[21]
- CASA identified that it would need to change its existing distributed regulatory operating model to a centralised national model compatible with EAP[22]
- CASA developed five bespoke ICT systems to manage CASA regulatory functions that were supposed to be managed within EAP modules.[23]

Noting the delays in fully implementing EAP, Figure 3.1 below provides an overview of the key milestones in the implementation of EAP from 2011 to 2022.

Figure 3.1   Key events applicable to the implementation of EAP 1 January 2011 to 31 August 2022
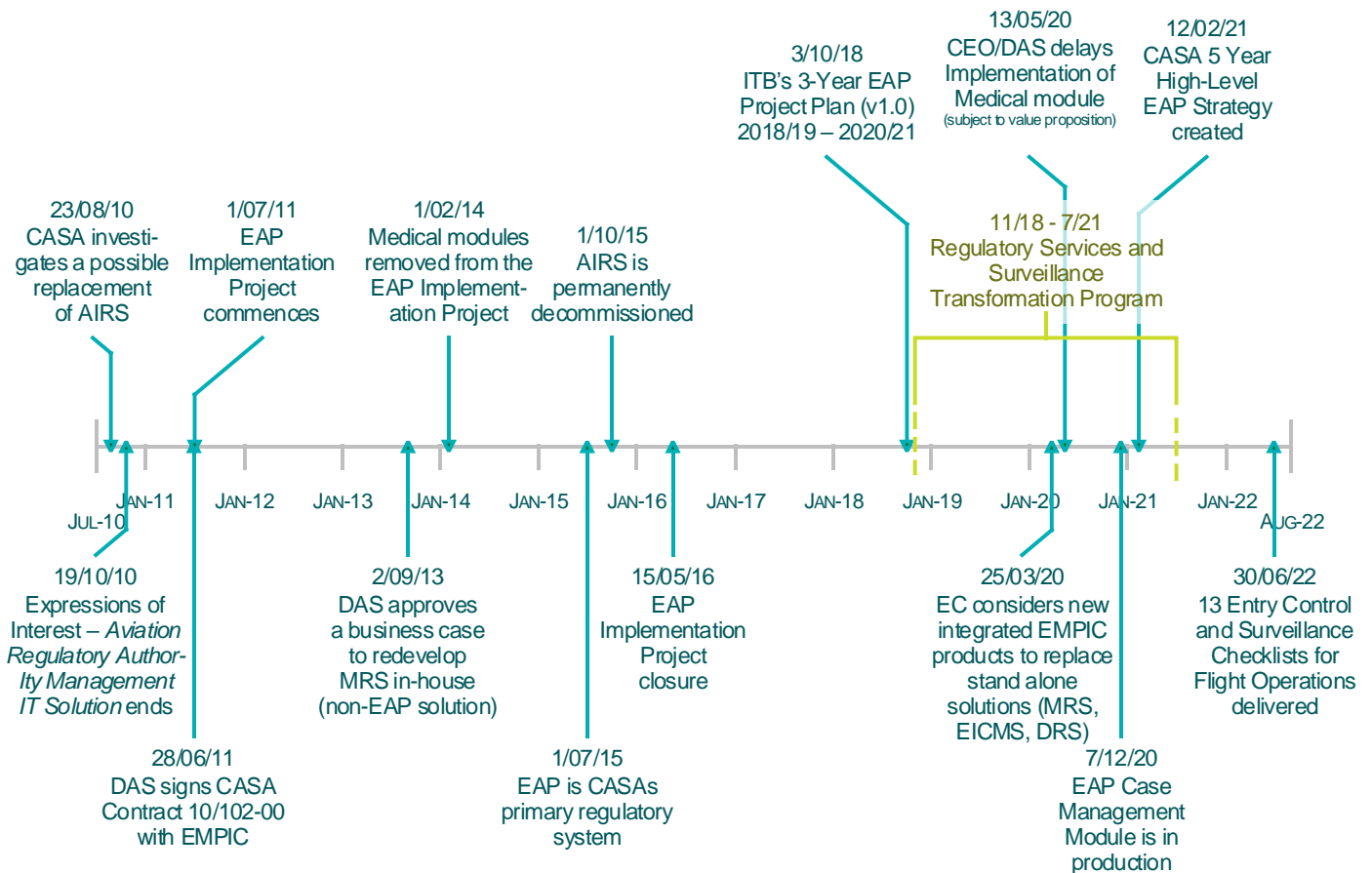
Source: Internal Audit analysis of EAP documentation

Although CASA prepared a 2018-19 to 2020-21 EAP Project Plan to implement surveillance and case management modules, this plan was continually changed through to January 2020 indicating that the project scope and deliverables were not finalised.[24] Internal Audit could find no evidence of a project closure report for this project to specify whether project deliverables were realised. That said, CASA spent approximately $4.1 million on EAP enhancements and

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[21] As discussed in Section 4.6.2.2, this final cost is likely an underestimate as business costs applicable to EAP implementation have not been included in project financial reports.

[22] CASA commenced the Regulatory Services and Surveillance Transformation (RSST) program in 2018 to develop and implement a new 'centralised' regulatory and surveillance operating model. The RSST program and its relationship to the EAP Project are discussed further in Section 3.4.

[23] An overview of the bespoke regulatory systems developed by CASA since the 2011 EAP Implementation Project commenced is shown in Appendix E.

[24] Ideally, instead of iterating a project plan, a separate project variation request, or a new project plan should have been submitted to the CASA Executive for approval. This would allow a meaningful assessment of the extent to which the original project deliverables were realised.

remediation during this time, and it did undertake preparatory work for EAP case management and surveillance functionality.

To reinvigorate EAP implementation in 2020, CASA sought to reset EAP delivery through its EAP Five Year Strategy.[25] This strategy specifies annual deliverables from 2020-21 to 2024-25, and establishes five implementation principles to underpin all EAP Projects[26]:

1. use EAP as it was designed
2. change business processes to align with EAP
3. actively manage EAP data quality
4. unify and simplify business processes
5. increase utilisation of current EAP modules.

Within the EAP Five Year Strategy, and in accordance with the principles above, CASA initiated and completed two annual projects:

- EAP Project 2020-21. This project focused predominantly on the implementation of case management functionality within EAP. This project largely delivered against its objectives at a cost of $3.6 million (a nine per cent underspend)
- EAP Project 2021-22. This project focused predominantly on the implementation of EAP surveillance capability for air transport, aerial work, and airworthiness management, and EAP integration with CASA's document management system (RMS) for a budgeted cost of $4.4 million.

A further project (EAP Project 2022-23) was approved on 11 August 2022. This project focuses predominantly on regulatory certificate configuration and the further implementation of surveillance modules at a budgeted cost of $4.7 million.

Internal Audit notes that, after 11 years of implementing EAP, CASA has not consolidated its regulatory and surveillance systems, and CASA staff must use five distinct ICT systems to manage their regulatory and surveillance activities.[27]

3.4 Impact of regulatory services and surveillance reform and the implementation of EAP

As discussed in Section 3.2, EAP was selected as the preferred COTS product to provide a single source of truth across all CASA regulatory and surveillance activities. That is, CASA wanted EAP to facilitate the management of CASA's regulatory and surveillance activities centrally under a "national" regulatory model. However, as discussed in Section 3.3, in 2011 CASA operated a distributed regulatory model, where staff in each region developed their own bespoke systems, processes and procedures to perform regulatory and surveillance activities.

Based on CASA's original EAP investigations and original business case documents, it was evident that CASA assumed it could use EAP to transform its existing distributed regulatory model into a centralised model, where nationally established regulatory processes and procedures could be managed and controlled through a single ICT system. In hindsight, this assumption was incorrect, as the cultural change process required to convince staff to move from a distributed regulatory model to a national regulatory model was not effective. This led to:

- significant delays in implementing EAP. That is, existing bespoke regulatory and surveillance business processes were complex and inconsistent nationally and required redesign before EAP could be implemented. Currently, the implementation of EAP is running approximately 11 years behind its original schedule
- the development and operation of six bespoke systems to manage regulatory and surveillance activities while a centralised national regulatory model was designed

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[25] See Appendix E for an overview of the EAP Five Year Strategy, including deliverables.

[26] For the purposes of this report, 'EAP Projects' refer to all annual EAP Projects undertaken between 2020-2021 to 2022-23.

[27] These systems are EAP, CRM (EICMS), MRS, RMS and Sky Sentinel. Please see Appendix C for a description of these systems.

- significant and unexpected costs to implement EAP. As discussed in Section 4.1.2.1, delays in implementing EAP, and the operation of bespoke systems while EAP is being implemented, has led to EAP costing at least six times more than its original budget.[28]

To facilitate the change to a centralised national regulatory model, CASA established the Regulatory Services and Surveillance Transformation (RSST) program in 2018 (see Figure 3.1 above) to implement a new national operating model comprising four discrete functions:

1. Guidance
2. Regulatory Services
3. Surveillance and Enforcement
4. Oversight Strategy, Planning and Assurance.

As specified in an updated 2020 RSST business case, not successfully implementing a national operating model significantly increased the "*risk that the business will move away from EAP as the single-source-of-trust for all regulatory services and surveillance data and information management".[29]*

The new national operating model was introduced between December 2020 and July 2021 and provided CASA with the framework to implement EAP as intended originally. Shortly after its introduction, the new operating model was reviewed by an independent consultant that found:

"The previous operating model where most of the decisions, processes and practices were regionally developed was not a perfect model, and changes were necessary, but new structures were implemented ahead of enabling projects, resulting in less than expected outcomes". [30]

An example cited by the independent consultant was a project to identify and document "*some 260 job types that CASA manages in the provision of regulatory services".* [31] Internal Audit notes that although EAP was dependent on the development of the new operating model, there are a range of other projects that need to be completed (such as the identification of 260 regulatory job types) before it is implemented fully. Management of dependencies between EAP and other workstreams and projects is discussed further in Section 4.2.2.3.

3.5 Program and Project Management

When assessing the effectiveness of CASA's administration of the EAP Project, it is important to establish normative better practice against which CASA's administration can be assessed.

While there is not one commonly accepted definition for a 'project' worldwide, the suite of Axelos methods including Portfolio, Program and Project Offices (P3O®), Managing Successful Programmes (MSP®), and PRojects IN Controlled Environments (PRINCE2®) is widely considered international better practice. These methods are currently used widely by CASA as the foundations of the *CASA Program / Project Management Framework* and *CASA Program / Project Management Standard Operating Procedure*.

Axelos concepts and definitions have been used by Internal Audit throughout this report, with key terms including:

- **Portfolio**: The totality of an organisation's investment (or segment thereof) in the changes required to achieve its strategic objectives.
- **Portfolio Management**: A coordinated collection of strategic processes and decisions that together enable the most effective balance of organisational change and business as usual.
- **Program**: A temporary, flexible management structure created to coordinate, direct and oversee the implementation of a set of related projects and activities to deliver outcomes and benefits related to the organisation's strategic objectives.
- **Program management**: The coordinated organisation, direction, and implementation of a dossier of projects and transformation activities to achieve outcomes and realise benefits of strategic importance.

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[28] See Section 4.6.2.2 for further information on EAP costs.

[29] Aviation Group, February 2020, *Business Case – Regulatory Services & Surveillance Transformation Program v2.0,* p.23

[30] Bull and Bear Special Assignments, July 2022, *Organisation Design Project 2 – ROD Post Implementation Review* p. 13

[31] *Ibid.* p. 14

- **Project**: A temporary organisation that is created for the purpose of delivering one or more business products according to an agreed business case.
- **Project management**: The planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risks.

As of February 2021, CASA's portfolio, program and project management and governance model is presented in Figure 3.2.

Figure 3.2: CASA's portfolio, program, and project management model
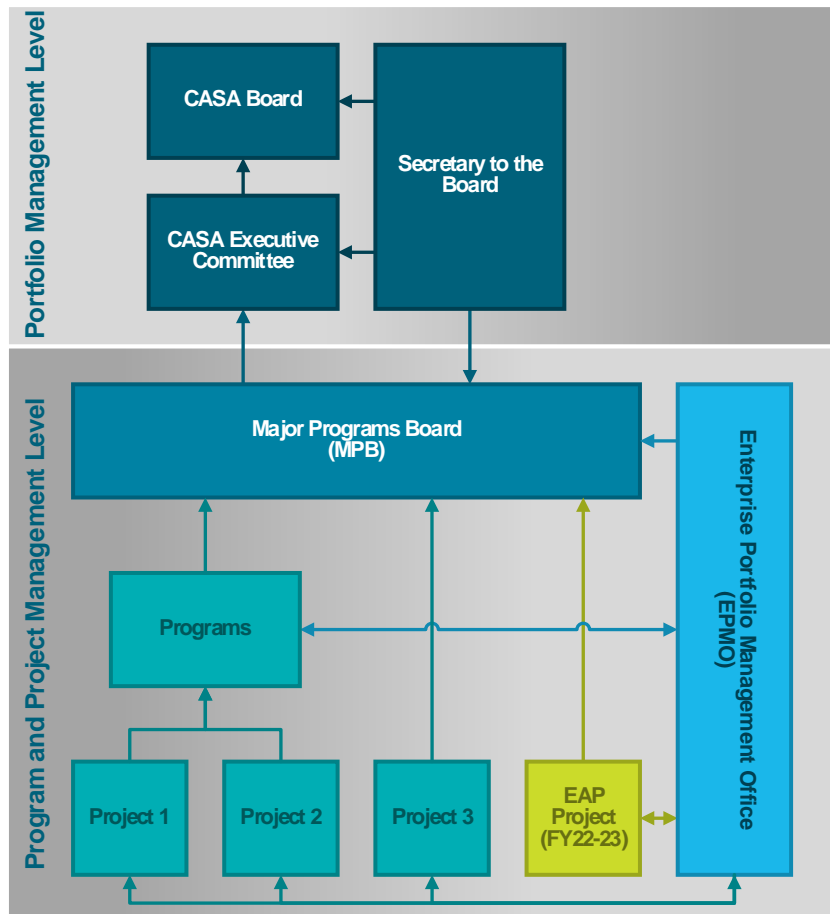
Source: Internal Audit analysis of CASA information

Figure 3.2 shows that the Major Programs Board (MPB) is responsible for providing CASA with whole-of-portfolio oversight of agreed programs and projects. In addition, the MPB is responsible for identifying and managing dependencies at a whole-of-CASA level.

The MPB is supported by the:

- **Secretary to the Board / Committee Secretariat**: Responsible for providing secretariat functions to the MPB including the distribution of program and project papers and reports.[32]
- **EPMO**: Sits within the CSD and is responsible for providing oversight, support and guidance at all stages of the program and project lifecycles, and the preparation of program and project management reports for MPB, CASA Executive Committee and CASA Board consideration.

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[32] The Secretary to the Board took responsibility for this function on the 14 December 2020 from the EPMO.

Figure 3.2 also shows that the MPB and EPMO receive performance information and key artefacts (including business cases, variation requests and plans) from Programs (which comprise several projects) and from projects that are not a part of a program (for example the EAP Project FY 22-23 – light green box in Figure 3.2).

Importantly, projects sitting under Programs do not report directly to the MPB unless there is a specific direction by the MPB.

3.6   Previous reviews

There have been several previous reviews that have examined EAP implementation and the management of CASA programs and projects. These reviews and their relevant findings are shown below in Table 3.1.

Where Internal Audit has identified the finding(s) and/or recommendation(s) is still relevant or only partially implemented a paragraph reference to this audit report will be noted in the table below.

Table 3.1: Relevant reviews involving the implementation of the EAP system

Review Title	Description
CASA Internal Audit July 2017 *EAP Platform – Post Implementation Review (PIR)*	The objective of the PIR was to assess the extent to which the business benefits of the EAP Implementation Project have been realised. Overall, Internal Audit found there had been partial realisation of anticipated business benefits associated with the implementation of EAP. Although the EAP Project was successful in enabling CASA to decommission AIRS, from a user viewpoint, EAP remained a less effective solution for the administration of aviation regulatory processes. In particular, the PIR identified: • a lack of clarity as to the desired future state and business benefits of EAP (see Section 4.4 of this report) • timeframe and cost uncertainties associated with benefits realisation (see Sections 4.1.2.1 and 4.1.2.2 of this report) • inadequate risk management (see Section 4.1.2.1 of this report) • opportunities for additional staff training in the use of EAP. The PIR made one recommendation aimed at improving benefits realisation.
CASA Internal Audit July 2020 *EAP Management Initiated Review (MIR)*	The objective of the MIR was to conduct a review on behalf of the SRO of prior EAP Project activity. The MIR found that the EAP Project had significantly under-delivered. There had been partial realisation of anticipated business benefits associated with the implementation of EAP. The MIR also found that there had been a long history of erratic cycles of approaches to the roll-out of components of EAP and the gap between what was required of EAP for the business to be fully effective and what has been delivered was significant. The MIR identified several factors contributing to the project not meeting the scope and timeframes within the 2018 project management plan. These factors were well known to management and included: • the EAP Project was more complex than originally scoped (see Sections 3.3 and 3.4 of this report) • costing assumptions were not well understood or defined (see Section 4.6.2.2 of this report) • poor articulation in the 2018 project plan (a business case was not developed) of the costs associated with the project (see Section 4.2 of this report) • inefficient alignment of project and business requirements (see Section 4.2 of this report) • the significant additional work identified and the inability of the project to accommodate lessons from the initial project of work across the first two years of the project. (see Section 4.6.2.1 of this report). The MIR identified five potential opportunities for improvement: • The EAP Project team should ensure that lessons learned during previous stages of the EAP Project are documented and incorporated into the remaining EAP Project lifecycle. • To address observed repeated project ownership and accountability patterns, CASA should ensure the EAP Project is business led and IT facilitated. To align project manager and SRO direction, project reporting should completely articulate business impacts and provide full visibility to the SRO. • CASA should ensure that the revised EAP business case clearly defines the whole of life project costs, timeframes for completion and the benefits to be realised.

	• CASA should ensure that EAP Project risks and issues are actively monitored and mitigated throughout the project lifecycle. Risks and issues should be reported to the MPB and the Investment Committee (IC) • CASA should ensure that prior EAP audit recommendations are tracked and implemented as lessons learned for future projects.
CASA Internal Audit April 2021 *CASA Program and Project Management*	The audit examined the effectiveness of CASA's program and project management methodology and its application. The audit found that although CASA's project management approach is systematic, there were several areas where CASA could improve the overall effectiveness of its portfolio, program, and project management approach. Specifically: • CASA uses the terms 'program' and 'project' interchangeably in both policy and program management documentation. This created a lack of clarity regarding how programs and projects should be managed and how they are reported to the MPB (see Section 4.2 of this report) • Performance information relating to the delivery of some of the projects sampled as part of the audit did not accurately reflect significant delays in the commencement of these projects once endorsed by the IC and approved by the Executive Committee (see Section 4.6 of this report) • Although CASA had documented the EPMO's roles and responsibilities, not all these roles were performed by the EPMO. Noting this gap, a decision needed to be made by the Executive regarding the roles, responsibilities, and mandate of the EPMO (see Section 4.5.2.1 of this report) • EPMO does not independently assure, and have in-depth knowledge of, current and future programs and projects. (see Section 4.5.2.1 of this report) • If the EPMO's documented roles and responsibilities in relation to program / project assurance functions are currently correct, there could be a perceived or actual conflict of interest (see Section 4.5.2.2 of this report).
Australian National Audit Office (ANAO), Audit Report No. 28, 2021-22, *Civil Aviation Safety Authority Planning and Conduct of Surveillance Activities*	The objective of the audit was to assess whether CASA has implemented effective arrangements for the planning and conduct of surveillance activities. Although the audit was not focused specifically on EAP, it did note the following: • A key operational risk for CASA's surveillance activities is the timely implementation of the surveillance related functionality of the EAP IT system (see Sections 3.1 to 3.4 of this report) • There has been a marked reduction in the level of detail in surveillance reporting over time with recent reporting not accurately reflecting some of the performance issues and delays CASA has identified that increases risk to surveillance activity, including: the delay in establishing the EAP system; and decommissioning Sky Sentinel (which has been identified as being deficient in providing appropriate data for monitoring and reporting purposes) (see Sections 3.1 to 3.4 of this report).

Internal Audit was cognisant of these findings when assessing CASA's progress in implementing EAP, and where necessary, assessed whether relevant report recommendations had been implemented.

4   Observations and Recommendations

4.1   Has CASA managed the EAP Project effectively to date?

4.1.1   Background

Under better practice, six variables are used by project sponsors, SRO[33], and managers to control and assess project effectiveness. These variables are:

1. timescales
2. costs
3. quality
4. scope
5. benefits
6. risk.[34]

In accordance with better practice, measurable targets are assigned to each variable, with the overall performance of the project including an assessment of each variable against its target (or targets). Internal Audit notes that each variable, if managed appropriately, will provide Specific, Measurable, Achievable, Relevant and Time-Bound (SMART) performance information to allow CASA's Executives and Board to make informed decisions regarding the project.

In this section, Internal Audit examined CASA's delivery of the EAP against its original intentions (as specified in 2011 EAP Implementation Project) using the six better practice variables specified above.

4.1.2   Findings

4.1.2.1   Overall, CASA's implementation of the EAP Project has not met timescales, costs, quality and scope targets as specified in the original 2011 project plan, and does not appear to be meeting performance targets for the EAP Five Year Strategy

As discussed in Sections 3.3 and 3.4, when CASA purchased EAP initially, it made a number of incorrect assumptions, including that EAP could be used to drive change from a distributed regulatory operating model to a centralised "national" operating model. These incorrect assumptions resulted in EAP implementation being significantly behind schedule, over budget, and not delivering the functionality specified in the 2011 EAP Implementation Project. Specifically, between EAP's purchase in 2011 and the forecast end of the EAP Five Year Strategy:

*   **timescales for EAP implementation have not been achieved**. The 2011 EAP Implementation Project identified an implementation timeframe of two years (mid-2011 to mid-2013) to implement 19 EAP modules. Based on the EAP Five Year Strategy, the new implementation timeframe is mid-2025[35]
*   **EAP costs are significantly higher than intended originally**. The original budget was $9.1 million to implement 19 modules.[36] As at 30 September 2022, based on CASA's financial records, CASA had expended $39.5 million on implementing EAP. However, actual EAP implementation costs are likely significantly higher than this figure[37]
*   **the quality and functionality of the EAP system has not been delivered as intended originally.** Significant required EAP functionality has not been delivered to date, with some elements not being delivered at all. Functionality elements not delivered to date include: surveillance; organisational approvals; medical; and workflow

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[33] CASA uses the acronym SRO to denote a "Senior Responsible Officer". However, under MSP®, SRO stands for "Senior Responsible Owner". For the purposes of this report, Senior Responsible Officer and Senior Responsible Owner are synonymous.

[34] Under PRINCE2, six variables of program/project performance (costs, timescales, quality, scope, risks and benefits) are used to assess whether projects have been managed and delivered efficiently and effectively.

[35] Based on discussions with staff, and EAP implementation progress to date, Internal Audit considers it highly unlikely that CASA will realise all benefits specified in the EAP Five Year Strategy by mid-2025.

[36] CASA has purchased 53 modules in total as shown in Appendix D.

[37] This budgeted amount significantly underestimates the total EAP implementation costs, as: the majority of business costs have not been included; staff overheads (other than those overheads relating to salary costs) have not been included; and the costs of interim systems implemented to provide EAP functionality while EAP is being configured has not been included.

distribution.[38] At the time of the audit, Internal Audit was advised a decision on whether to use the EAP Medical Module had not been made, despite CASA having purchased this module in 2011

- **CASA's EAP scope is not up-to-date.** CASA has not maintained an up-to-date record of the extent to which it intends implementing the EAP modules (or parts of modules) it has purchased, and what functionality these modules will provide.[39] Also, CASA does not have an up-to-date record of which EAP modules it has implemented to date.[40]

Although CASA recognised the need to develop a national regulatory operating model[41] it continues to manage EAP implementation as a series of annual projects rather than an ongoing change program. This is despite a significant amount of work remaining to consolidate distributed regulatory systems and processes into a national operating model.[42] As a result, CASA's approach to assessing the effectiveness of EAP implementation:

- has not provided CASA's Executive and Board with a meaningful analysis of EAP implementation performance (time, cost and quality) against the original 2011 EAP Implementation Project Plan
- does not provide CASA's Executive and Board with meaningful analysis of CASA's ongoing performance (time, cost and quality) against the EAP Five Year Strategy.

While formal analysis of CASA's performance against the EAP Five Year Strategy has not been completed to date, based on interviews and document reviews, it is highly likely that EAP implementation is behind schedule, and will not be completed by 2025 (as specified in the EAP Five Year Strategy).

4.1.2.2 Although EAP benefits have been identified since 2018, these benefits are inconsistent between documents and are not mapped to outputs and outcomes as specified by better practice

Under better practice, benefits management refers to the management actions and reviews that are put in place to ensure that the project's outputs and outcomes are achieved and that the project's expected benefits are realised. Previous reviews of the management of EAP Projects (see Section 3.6, Table 3.1) identified that EAP benefits management required significant improvement.

To be managed effectively, project benefits must be mapped to project outputs and outcomes, as well as to the entity's strategic objectives. Undertaking benefits mapping is essential to provide meaning and context to benefits statements, as mapping links each project's deliverables against the overall benefits of EAP implementation. This is shown in Figure 4.1 below.

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[38] It is highly likely that CASA will not implement all elements of EAP functionality as specified in the EAP Five Year Strategy on time. Certain elements, including the medical module are unlikely to be implemented within originally intended timeframes.

[39] See Section 4.4.1 for a discussion on Target Blueprints which can be used to describe the future state of EAP module utilisation.

[40] CASA did undertake some analysis of the extent to which EAP modules were implemented in 2019 and projected which modules would be implemented in the future. However, this analysis is not up-to-date, and does not provide a projected EAP future state. See Section 4.4.2.1 for further information on current status of EAP module utilisation.

[41] As discussed in Section 3.4, CASA established the framework for a national regulatory operating model through the RSST program.

[42] As shown in Appendix F, this work includes: the consolidation of PPWs and templates to issue certificates; the development of a standardised technical competency framework for staff; and the development of a national workflow distribution model.

Figure 4.1: Mapping project benefits to outputs, outcomes and strategic objectives
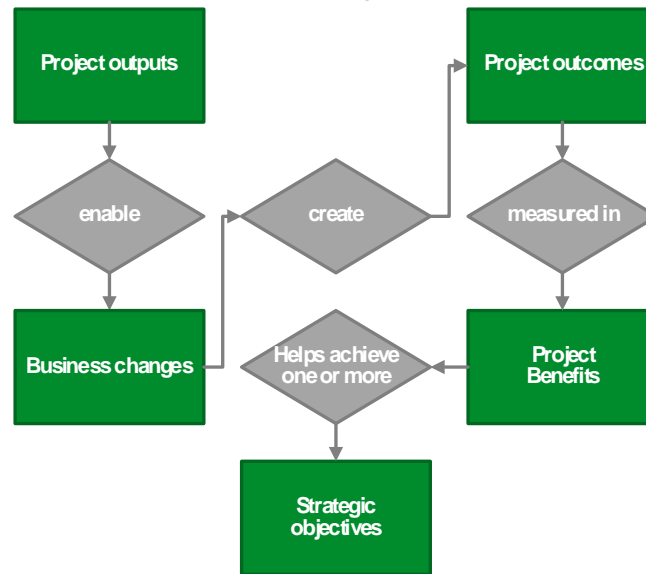
Source: Internal Audit analysis adaptation of Axelos PRINCE2® relationships between outputs, outcomes and benefits diagram

Although CASA identified EAP objectives as part of initial business case and project documentation (some of which could be related to project benefits), it did not commence systematic benefits identification and analysis until 2018-19. Since that time, CASA has listed EAP benefits in its EAP Five Year Strategy, 2021-22 and 2022-23 business cases, 2021-22 and 2022-23 project management plans, and in a separate EAP Benefits Realisation document.

However, based on an examination of these documents, project benefits:

- mapping has not been completed. That is, consistent with better practice (see Figure 4.1), project outputs and outcomes have not been linked to project benefits. Similarly, there are no documented links between project benefits and CASA's strategic objectives. Not linking EAP benefits to outcomes and outputs makes it difficult to assess how the successful delivery of project outputs and outcomes contributes to the achievement of EAP benefits.
- articulated in business cases, project management plans and the EAP Benefits Realisation document cannot be reconciled easily to the EAP Five Year Strategy (see Appendix E). Inconsistent presentation of benefits in different project artefacts (i.e., business cases and project management plans) makes it difficult to determine how each project is contributing to the achievement of the EAP Five Year Strategy (and the success of EAP implementation overall).

Noting the above, it is not only difficult for CASA to use its articulated EAP benefits to measure its success in delivering the EAP implementation, but also to report the achievement of these benefits to the MPB, CASA Executive Committee and the CASA Board. EAP reporting is discussed in further detail in Section 4.6.2.1.

4.1.2.3   Although EAP Project risks are captured, there is evidence that these project risks are not being assessed, monitored, and reported accurately. Program level risks (applicable to the EAP Five Year Strategy) are not captured and managed

The effective management of risks is not only an essential aspect of better practice program and project management, but it is also a legislative requirement for those persons responsible for the management of public resources (which includes the expenditure of public monies on programs and projects) under the *Public Governance, Performance and Accountability Act 2013*.

Project risk management

Since 2011, EAP Project risks have been captured as part of project business cases and project management plans. For more recent projects (including the 2021-22 and 2022-23 EAP Projects), EAP Project risks have been monitored as part of the project's MPB status reporting in accordance with CASA's *Risk Management Policy 2022 and Risk Management Manual 2022*. Detailed EAP Project risks are managed in a Risks, Assumptions, Issues and

Dependencies (RAID) register, although this register cannot always be reconciled to risk statements in EAP Project management plans.

Although EAP Projects are generally compliant with CASA's risk management policy and manual, Internal Audit found that risk assessments contained in key documents (in particular, project management plans) require improvement. An example of a risk identified in the 2022-23 EAP Project Management Plan is shown in Figure 4.2 below.

Figure 4.2: Example risk included in the 2022-23 EAP Project Management Plan

Risk¶ ¤	Likelihood¤	Consequence¤	Mitigation·Strategy° ¤	Likelihood	Consequence	Owner° ¤
If·there·are·insufficient·business·resources·available·to·complete·pre-requisite·deliverables,·or·support·output·development,·the·projects·sprint·schedule·will·be·impacted,·and·output·delivery·will·be·delayed.·¤	Possible¤	Moderate¤	Ensure·the·scope·of·work·is·defined·and·scheduled·and·business·resources·are·committed·¤	Unlikely¤	Moderate¤	Business·Engagement·Lead¤

Source: 2022-23 EAP Project Management Plan, Appendix D

Figure 4.2 shows that the 2022-23 EAP Project Management Plan identified a "possible" likelihood of insufficient business resources available to complete the prerequisite work required for the Information Technology Branch to configure EAP, with "moderate" consequence, resulting in the risk being rated as "Medium". This plan received MPB endorsement on 11 August 2022.

However, based on project status reporting to the EPMO and the MPB from the same period, there were significant concerns about this risk. Project status reporting between July and October 2022 reported the risk still with a "possible" likelihood, but a "major" consequence (resulting in the risk being rated as "High").

Between July 2022 and October 2022, there is evidence to indicate that the risk had actually been realised, meaning it had become an "issue".[43] Based on the risk framework contained in CASA's Risk Management Manual, and on the documentation reviewed, the risk would have been more appropriately assessed based on an "almost certain" likelihood (which would result in the risk being rated as "Extreme"), in comparison to the "medium" rating specified in the project management plan or the "High" rating in MPB status reports from the same time period.

Internal Audit notes that, if the example above is indicative of the approach to assessing risks, key decision makers (such as the MPB and the CASA Executive Committee) are not being provided with accurate, up-to-date information. Without this, it is difficult for these parties to make timely change decisions and increase the likelihood that specified EAP Project outputs will be delivered on time and on budget.

Program risk management

A second aspect of risk management in the EAP context concerns those relating to delivery of the EAP Five Year Strategy. Internal Audit found that key risks at the strategic (program) level have not been identified, assessed and reported. That is, despite the EAP Five Year Strategy being finalised in early 2021, CASA has not assessed and reported on the risk of "the specified outcomes and outputs of the five-year program (see Appendix E) not being delivered". Based on discussions with MPB members and a CASA Board member, reporting on this risk would provide far greater value to the MPB and CASA Board, than the lower-level risks applicable to the delivery of individual project risks (including the example above).

Staff from CASA's Safety, Risk and Intelligence Branch noted that CASA is currently developing the capability to identify, capture and report on key strategic risks appliable to major programs and projects such as EAP. However, Internal Audit notes that it is unlikely that these types of EAP risks will be captured if the EAP Project continues to be managed as a series of independent annual projects, rather than as a business process change "program" running

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[43] Internal Audit notes that during July and August 2022, the total number of project "outputs" (Protocols, Principles & Worksheets (PPWs) and Certificates) decreased from 60 to 40 due to delays in business readiness for ICT configuration. Also, ICT resources working on the project have been redeployed to other projects as they were underutilised. Although outputs have been reduced and underutilised resources redeployed, in July and August drafts of the 2022-23 EAP Project Management Plan, the risk ratings in the project management plan unchanged at "medium" ("possible" likelihood and "moderate" consequence).

over multiple years (similar to the EAP Five Year Strategy). The issue of managing EAP implementation as annual projects rather than a multi-year program is discussed further in Section 4.2.

4.1.3   Risks

Based on internal Audit's analysis of CASA performance in delivering EAP, the risk that CASA has not implemented the EAP Project effectively has been realised, and it is now a strategic issue for CASA. That is, CASA:

- has not delivered EAP within original timescales, and is not likely to deliver within the amended timescales of the EAP Five Year Strategy
- has already exceed the original budget by at least 600 per cent
- has not produced the expected deliverables to the expected quality standards as specified in the EAP Five Year Strategy
- has not established a detailed scope relating to EAP implementation
- has not managed EAP Project and EAP Five Year Strategy risks and benefits appropriately.

Not implementing the EAP Project as intended has meant that CASA has not realised the intended benefits of the EAP system including regulatory services and surveillance staff not having: a "single source of truth for information"; and consistent and national processes and procedures for managing regulatory services and surveillance activities.

4.1.4   Recommendation

There are no recommendations in this section of the report. Recommendations relating to the issues discussed above are addressed in the report sections below.

4.2 Should EAP have been managed as a program rather than a project, and what impact did managing EAP as a project have on the delivery of EAP implementation?

4.2.1 Background

As discussed in Section 3.5, program and project management better practice (which underpins CASA's project management policies) defines:

- **programs** as a set of related projects and activities that deliver outcomes and benefits to an entity which are aligned to entity's strategic objectives
- **projects** as a temporary organisation created to deliver one or more business products according to an agreed business case.

As discussed in Sections 3.2 and 3.3, CASA originally purchased EAP to achieve a range of objectives including: consolidating a range of discrete ICT systems into a single system; and proving CASA with a "single source of truth" for its regulatory services and surveillance activities. In addition, CASA assumed that achieving these objectives by introducing EAP could assist in the facilitation of a significant strategic change from a distributed regulatory service and surveillance model to a national operating model.

Noting the importance of EAP in embedding a national CASA regulatory services and surveillance operating model, CASA originally commenced implementing EAP as one of three projects within the URES-EMPIC Program.[44] This allowed the SRO and Program Manager to have visibility and decision-making responsibilities over three interdependent projects.

However, from 2016 to 2022, EAP implementation has been managed as a series of annual projects rather than a program of works spanning multiple years. This was despite CASA developing the EAP Five Year Strategy[45] in 2020 (see Section 3.3) that specified the key annual outputs and outcomes required to achieve full EAP implementation over a five-year period.

As a result, CASA was unable to advise Internal Audit on what progress it has made in realising the EAP outputs, outcomes and benefits specified in the EAP Five Year Strategy (see Section 4.1.2.1) or the progress made on delivering the original 2011 EAP Implementation Project.

In this section of the report, Internal Audit examined: CASA's governance approach to manage EAP implementation as a series of annual projects rather than a strategic business change program; 2022-23 EAP Project's management structure; and the roles and responsibilities of key people and organisational constructs applicable to the project.

4.2.2 Findings

4.2.2.1 Since 2016, EAP implementation has been run as a series of annual projects rather than a program comprising multiple dependent business projects and workstreams. This has resulted in strategic EAP objectives not being managed and reported on meaningfully

Based on Internal Audit's analysis of EAP implementation as it was intended originally in the 2011 EAP Implementation Project, EAP implementation meets the definition of a Program rather than a Project.

As noted in Section 4.1, despite CASA developing the EAP Five Year Strategy, CASA has continued to manage EAP implementation as a series of annual projects instead of a strategic business change program, which oversees CASA's transition from a "distributed" regulatory services and surveillance model to a "national" model.

The disadvantages of managing EAP implementation as annual projects, is that projects:

- **are focused predominantly on the delivery of ICT services and not relevant business-related outputs and outcomes**. As noted above, transitioning to a national regulatory operating model requires significant business input, including the successful delivery of business prerequisite projects (e.g., consolidated PPWs applicable to

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[44] As discussed in Section 3.3, in 2011 CASA commenced the URES-EMPIC Program which comprised the: EMPIC-EAP Implementation Project; Data Cleansing and Migration Project; and the Web Portal Project.

[45] See Appendix E for an overview of the EAP Five Year Strategy.

issuing regulatory services certificates). However, the majority of 2022-23 EAP Project funding is allocated to ICT services not business activities

- **are focused on the delivery of outputs and outcomes for a single year, and not the delivery of the EAP Five Year Strategy**
- **do not provide the SRO, Project Director and Delivery Lead**[46]**, with adequate visibility and control over other business projects and workstreams**[47]. As discussed in Section 4.1.2.3, EAP Projects are heavily dependent on the successful delivery of prerequisite business projects and workstreams
- **do not provide key decision makers with the information they require to assess EAP implementation performance across multiple years**. These decision makers are the MPB and Executive Committee and the CASA Board.

The differences between CASA managing EAP implementation as annual projects and running EAP implementation as a potential strategic business change program (the potential EAP Program) are significant. With reference to better practice, Internal Audit developed a potential EAP Program management structure to illustrate this point (see Appendix F). This potential EAP Program is based on available documentation (including the EAP Five Year Strategy), and interviews and confirmation with key stakeholders.

Managing EAP implementation as a business change program rather than annual projects:

- **focuses CASA on the delivery of all aspects of EAP implementation, not simply the ICT deliverables**. As shown in Appendix F, the orange hexagon represents the 2022-23 EAP Project. Internal Audit identified a further 16 potential projects or workstreams (blue boxes) that need to be delivered to realise the all the EAP benefits specified in the EAP Five Year Strategy
- **provides the SRO with appropriate visibility all relevant projects and workstreams** (including business projects and workstreams). As shown in Appendix F, the orange hexagon represents the 2022-23 EAP Project over which the SRO has some control.[48] To manage EAP delivery effectively, and to be consistent with better practice, the SRO should have control over the 16 potential projects and workstreams to deliver EAP implementation successfully
- **pushes decision making down from the MPB to a Program Board**. That is, detailed operational documents such as project management plans and project variation requests would no longer need to be approved by the MPB, as a Program Board (comprising the SRO who is advised by relevant business Executive Managers) would approve these detailed documents.[49] Only decisions impacting the overall achievement of EAP implementation (such as the approval of an EAP Program Plan) would be made by the MPB
- **provides the MPB, CASA Executive Committee and CASA Board with performance information relating to the delivery of the EAP Program from end-to end across multiple years**. Only performance information relating to the delivery of all aspects of EAP implementation (i.e., the EAP Program) should be provided to the Program Group Sponsor (MPB), CASA Executive Committee and CASA Board, so these groups can make informed strategic decisions about the delivery of the EAP Program (from end-to-end) in the context of CASA's broader portfolio of programs and projects.

Managing EAP implementation as a strategic business change program rather than annual projects is consistent with MSP better practice. Managing EAP implementation as a strategic business change program should, if undertaken in accordance with better practice, significantly improve the likelihood that the benefits specified in the EAP Five Year Strategy are realised.

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[46] Figure 4.3 in Section 4.3 provides an overview of these positions within the EAP Project management structure.

[47] For the purposes of this audit, a workstream is a series of tasks to produce a product, output or outcome. Unlike a project that requires approval through a project sponsor (such as the MPB), a workstream can be approved by a Program Board. Like a project, a workstream requires: a workstream leader (accountable officer); timeframes; a description of objectives; and an allocation of resources (which may include Business As Usual (BAU) resources).

[48] As discussed in Section 4.3.1.1, the SRO does not have control over: the project budget (CIO responsibility); and Delivery Lead (reports to the CIO).

[49] There is documentation that shows EAP Project management plans and project variation requests require review from large numbers of CASA staff before they are approved. In recent times, these approval processes have taken significant time (several months), which resulted in the 2022-23 EAP Project Plan receiving final approval two months into the project year (August 2022).

4.2.2.2 Significant work elements critical to the successful implementation of EAP are not being monitored actively, or they are being managed as "Business as Usual (BAU) projects" with lower oversight and accountability than approved projects

As discussed above, there are several workstreams or BAU projects[50] that are critical to the successful delivery of EAP. Some of these BAU projects and workstreams are shown as blue boxes in Appendix F.

One example of a workstream / BAU project is the Technical Capability Framework[51] (which includes the development of a regulatory services and surveillance catalogue). The Technical Capability Framework is a project undertaken by business areas that must be completed before key elements of the EAP workflow distribution modules can be configured.

However, unlike formally approved projects, the Technical Capability Framework does not have a documented business case that complies with CASA and better practice project management requirements. Consequently:

- business resources have not been specifically allocated to developing the Technical Capability Framework by CASA and resources are sourced from BAU activities "when available". This can result in a "limitless" budget, or resources not being available when required
- there is no approved project management structure. As a result, there is no systematic monitoring of timeframe, quality, cost, scope, benefits and risks. Also, without a documented and approved project management structure, it is difficult to hold selected CASA staff to account for the successful delivery of the Technical Capability Framework
- the EAP SRO has a limited view of the progress of the Technical Capability Framework, as it is being developed by another CASA Division. This is despite the Technical Capability Framework being a key dependency for the successful delivery of the EAP as specified in the EAP Five Year Strategy.

Noting CASA's comparatively small size compared to other Commonwealth entities, it may not be practical to manage all workstreams and BAU projects specified in Appendix F as projects formally approved by the MPB. It is nevertheless important to allocate timeframes, accountable managers and resources to these workstreams and BAU projects to provide key stakeholders (including the EAP SRO) with visibility of progress given EAP's dependency on them.

Consistent with MSP better practice, all projects, BAU projects and other workstreams could be managed as part of a "program" of work as shown in Appendix F. Managing EAP implementation as a program would likely improve the:

- SRO's visibility over all projects required to deliver the EAP Five Year Strategy
- timeliness and quality of decision-making regarding EAP implementation. In accordance with better practice, the Program Board would comprise the CASA business Executive Managers and the SRO
- quality of reporting to the MPB, CASA Executive Committee and CASA Board. As the EAP Program would focus on the delivery of the EAP Five Year Strategy, performance reporting would be more meaningful for these stakeholders.

4.2.2.3 As EAP is not run as a program across multiple years, dependencies between business workstreams and EAP Projects are not identified early. As a result, EAP Projects have been delayed, and ICT resources underutilised, because business processes (prerequisites) have not been completed

With reference to Appendix F, the 2022-23 EAP Project is dependent on the completion of the Prerequisite Business Project (including the production of PPWs and Certificates which will be incorporated electronically into EAP). Under CASA's methodologies, the ICT configuration of EAP cannot commence until PPWs, and Certificates have been developed by business staff.

As this dependency was not identified early, progress on the 2022-23 EAP Project has been slow. As at 14 October 2022, the weekly EAP status report, reflecting ICT work completed, reported the following.

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[50] For this report, a business-as-usual or "BAU" project is an initiative with a defined time and expected deliverables, which does not have a budget approved by CASA's Executive Committee. Funding for the project is taken from individual CASA Divisions' operational budget. Often BAU projects do not have the artefacts (such as business cases) required to be considered "projects" under PRINCE2.

[51] The Technical Capability Framework is being developed in the Oversight Strategy Branch within ROD. This framework is shown in Appendix F in the dark blue hexagon.

Figure 4.2: 14 October 2022 Weekly status report

Work Package Artefacts/Milestones	Start Date	End Date	Status/% Complete
TOP 40 Certificates	01.07.2022	30.06.2023	0%
Entry Control and Surveillance worksheets	01.07.2022	30.06.2023	0%
Milestone 1 – Release 1 –Sprint 1 and 2	01.09.2022	27.09.2022	Missed – No delivery
Milestone 2 – Release 2 –Sprint 3 and 4	01.11.2022	24.11.2022	0%
Milestone 3 – Release 3 –Sprint 5 and 6	01.12.2022	20.12.2022	0%
Milestone 4 – Release 4 –Sprint 7 and 8	01.02.2023	23.02.2023	0%
Milestone 5 – Release 5 –Sprint 9 and 10	01.04.2023	27.04.2023	0%

Source: EAP Team FY2022-23 Weekly Report – Monday 10.10.22 to Friday 14.10.22

Up to 30 September 2022, CASA had spent $1.05 million on the 2022-23 EAP Project, of which $783 813 related to ICT contractors.

Noting the results above, CASA Information Technology contractors were underutilised initially. At the time of the audit, these ICT contractors were in the process of being reassigned to other tasks that are were not connected to the EAP Project. The CIO was in the process of preparing a Project Variation Request (as part of another project) for MPB consideration regarding the reallocation of idle MPB project resources to another project.

Internal Audit considers that, if EAP was run as a strategic business change program comprising multiple business projects and workstreams, there would be an increased likelihood that a lack of progress on PPWs and Certificates would have been identified before the 2022-23 EAP Project's Project Management Plan was signed-off and ICT resources were allocated. Also, managing EAP as a strategic business change program would mean that, if the resource change above was agreed by business and the SRO, the Project Variation Request could be approved by a Program Board rather than requiring approval from the MPB. This will create efficiencies, as the MPB would not be overseeing an individual EAP Project, rather it would be overseeing the delivery of the EAP Program (as specified in Appendix F).

4.2.3   Risks

By managing EAP implementation as annual projects and not a multi-year strategic business change program, there is a high risk that:

- CASA will not be able to assess EAP implementation progress across multiple years
- dependencies between EAP implementation and business projects, BAU projects and workstreams will not be identified and managed appropriately
- CASA will not be able to report meaningfully on EAP implementation to decision makers including the MPB, CASA Executive Committee and the CASA Board
- EAP will not be implemented as intended originally including EAP being the "single source of truth" for all regulatory services and surveillance activities.

4.2.4   Recommendation 1

To ensure CASA's focus is on delivering an integrated system that provides (where possible) a "single source of truth" for CASA regulatory services and surveillance staff, Internal Audit recommends that the Chief Executive Officer:

1. except for the work already underway in 2022-23, pause the EAP Project to:

    ► assess and determine whether EAP (or elements of EAP) continues to be the most appropriate solution for managing all regulatory services and surveillance activities. This includes undertaking a cost-benefit analysis of EAP modules not already implemented, compared to alternative solutions

    ► reassess the desired outputs, outcomes and benefits of the EAP Five Year Strategy to determine whether these remain relevant. Based on this assessment, either update the strategy or develop a new strategy in accordance with Recommendation 4 of this report.

2. assess and where appropriate implement alternative EAP implementation management models including managing EAP as a strategic business change program rather than a series of annual projects.

Recommended Implementation Date:	1-3 months

Management response

Responsible Role	Executive Manager, GTSS (EAP SRO)	
Agree/Disagree	Agree	
Comments/Action Plan	1.1. While progressing the current work underway (activity and processes to deliver regulatory services, entry control, surveillance, and certificates into EAP), CASA will: a. Procure a supplier to undertake an independent review to determine whether EAP as a whole or elements of EAP is the most appropriate solution for managing all regulatory services and surveillance activities (including a cost-benefit analysis of EAP modules not already implemented compared to alternative models) (see also recommendation 6.1) b. Subject to the independent review confirming the continued use of EAP, reassess the five-year strategy to determine whether the outputs, outcomes and benefits remain relevant 1.2. Subject to the independent review confirming the continued use of EAP, establish clear governance arrangements to determine future capability requirements, capabilities and resourcing and which would manage EPA implementation as a strategic business change program with appropriate oversight and support (see also the response to recommendations to 3.1, 3.2, 3.3, 3.4, 7.1 and the BIR 1).	HIGH
Implementation Date	1.1. a. Report completed end of March 23 and b. 30 April 2023 1.2. 30 April 2023	

4.2.5   Recommendation 2

To manage the EAP implementation effectively as a strategic business change program, Internal Audit recommends that, following the completion of Recommendation 1, the Chief Executive Officer commissions work to:

1. undertake a comprehensive process to identify all current and future business workstreams, BAU projects and approved projects applicable to the successful delivery of EAP

2. ensure that all relevant workstreams, BAU projects and approved projects have at a minimum:
   - ► a start and end date
   - ► appropriately allocated and documented resources
   - ► an officer responsible for delivery.

3. develop a projects dossier / projects register in accordance with better practice. A projects dossier contains a summary description of all the projects, as well as their combined outputs and combined benefits.

Recommended Implementation Date:	1-3 months

Management response

Responsible Role	Executive Manager, GTSS (EAP SRO)	
Agree/Disagree	Agree	
Comments/Action Plan	2.1. An enterprise-wide assessment of all current and future business workstreams, BAU projects and approved projects applicable to the successful delivery of EAP will be undertaken. The outcomes of the assessment will inform dependencies and feed into the forward work plan outlined in response to recommendation 1. 2.2. All workstreams will have appropriate timeframes, resources, and managers accountable for the delivery of relevant work streams. 2.3. Outcomes will be captured to enable a complete register to be established, maintained and reported against.	**HIGH**
Implementation Date	2.1. 28 February 2023 2.2. 28 February 2023 2.3. 31 March 2023	

4.3 Is the EAP governance framework appropriate to ensure the successful delivery of the EAP Program[52] and projects?

4.3.1 Background

For the purposes of this report, effective program and project governance refers to the approach an entity takes to ensure its programs and projects: are aligned to the entity's strategies and objectives; are delivered efficiently, and sustainably; and provide its decision makers with timely, relevant and reliable information to make informed decisions.

As shown in Section 3.5 (Figure 3.2), CASA has developed a program and project management framework[53] that is generally consistent with better practice where:

- the **MPB** assumes the role of the business sponsor.[54] The business sponsor is responsible for endorsing the project's objectives and ensuring that the business investment in the project provides value for money
- the **EPMO** assumes the dual roles of: providing assistance to programs to comply with their program and project management framework responsibilities obligations regarding CASA's program and project management policies and frameworks; and providing independent assurance to the MPB that all CASA programs and projects are reporting performance appropriately
- **individual project managers** and program **SROs** are accountable to the MPB regarding their performance in delivering agreed objectives.

Each program and project has its own management structure to deliver agreed objectives. Based on interviews with key EAP Project staff, and on information contained in the 2022-22 EAP Project Management Plan, Figure 4.3 below shows CASA's current project organisation including the hierarchy of key staff / positions responsible for the management and delivery of the EAP Project.

Figure 4.3: Staff responsible for the delivery of the 2022-23 EAP Project
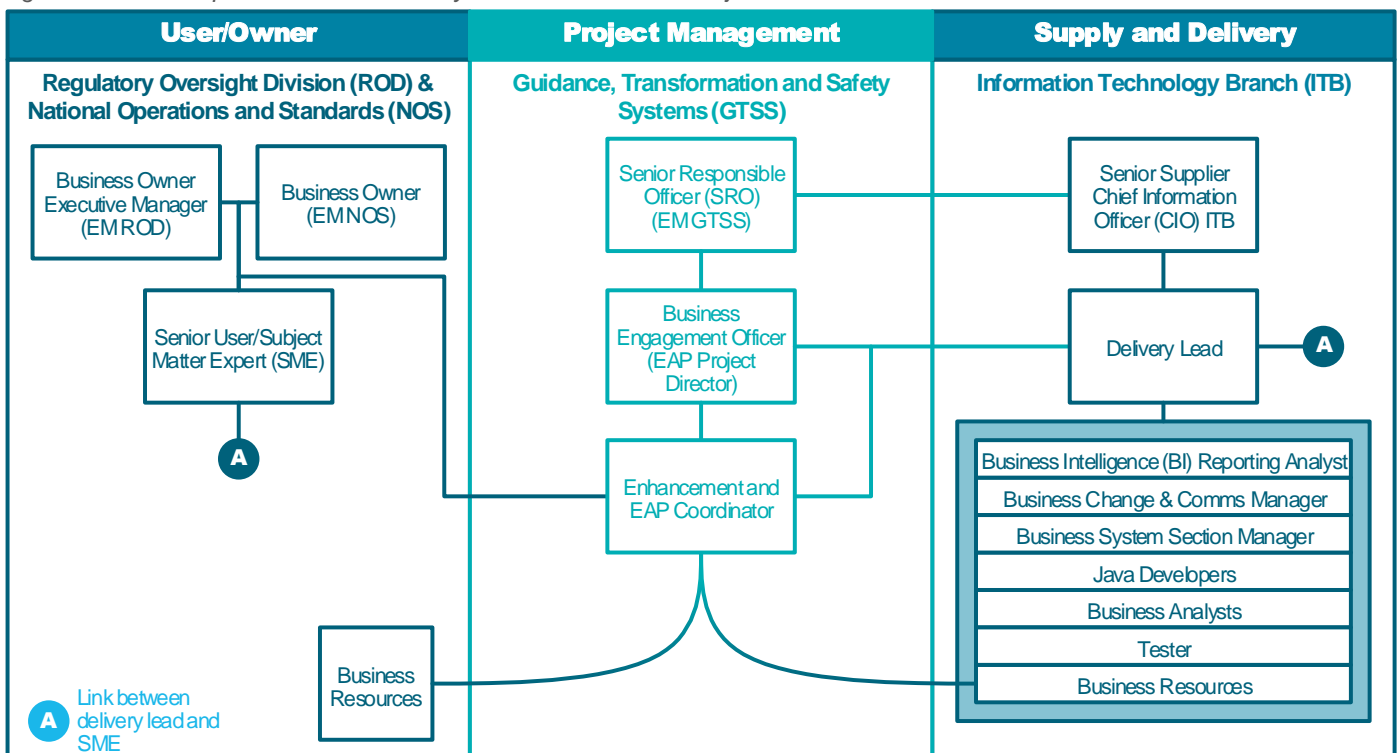
Source: Internal Audit analysis of EAP Project information and interviews with key stakeholders

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[52] If recommendation 1 is accepted by the Chief Executive Officer and EAP is run as a strategic change program, all findings from this point onwards refer to Program not Project Management.

[53] These are documented in the CASA *Program / Project Management Framework*, and the *Major Programs Board Terms of Reference*.

[54] The CASA Executive Committee also has some Program Management Group roles as it is responsible for approving funding requests for new programs and projects. The MPB also reports to the CASA Executive Committee.

As Figure 4.3 shows, there are three main CASA areas responsible for the delivery of the 2022-23 EAP Project which are: User / Owner; Project Management; and Supply and Delivery. Within these areas, the 2022-23 EAP Project Management Plan identifies several key positions which are the:

- **SRO** (Project Management) is responsible for, amongst other functions: leading EAP implementation; leading and directing the EAP business engagement team; leading engagement with business areas; reporting to the Board and CEO on EAP as required; and leading engagement with business areas.
- **Business Engagement Officer** (Project Management) is responsible for, amongst other functions: managing the EAP business engagement team; working with the Delivery Lead to ensure business requirements are ready for delivery; working with business representatives to define business acceptance criteria; and coordinating business acceptance testing and resources.
- **Senior Supplier** (Supply and Delivery) is responsible for, amongst other functions: ensuring availability of resources for implementing the project's products; approving the monthly project status reports and other reporting deliverables; and overseeing the project budget.
- **Delivery Lead** (Supply and Delivery) is responsible for, amongst other functions: reporting to the Senior Supplier; implementing the Project Management Plan; managing the delivery of SRO endorsed priorities; managing the project budget; and producing the monthly status report for CIO and SRO approval.
- **Business owners** (User/Owner) is responsible for, amongst other functions: working with the Business Engagement Officer to identify functional requirements; signing-off requirements documentation; and championing new EAP capability in business areas.

In this section, Internal Audit examines whether the EAP Project management structure is consistent with: CASA's project management framework and other relevant CASA policy documents; and program and project management better practice.

4.3.1.1 The CASA EAP Project management structure is unclear, does not support the successful, timely and cost-effective delivery of the EAP Five Year Strategy, and is not consistent with better practice

While noting the finding above that EAP implementation should be managed as a strategic business change program rather than as annual projects, Internal Audit examined CASA's current EAP Project management structure to assess whether it is consistent with CASA program / project policy and better practice.

As part of the 2022-23 EAP Project Management Plan, CASA developed a high-level project governance diagram showing the connections between the MPB, EPMO and SRO. This diagram is below in Figure 4.4.

Figure 4.4: Project governance diagram in the 2022-23 EAP Project Management Plan
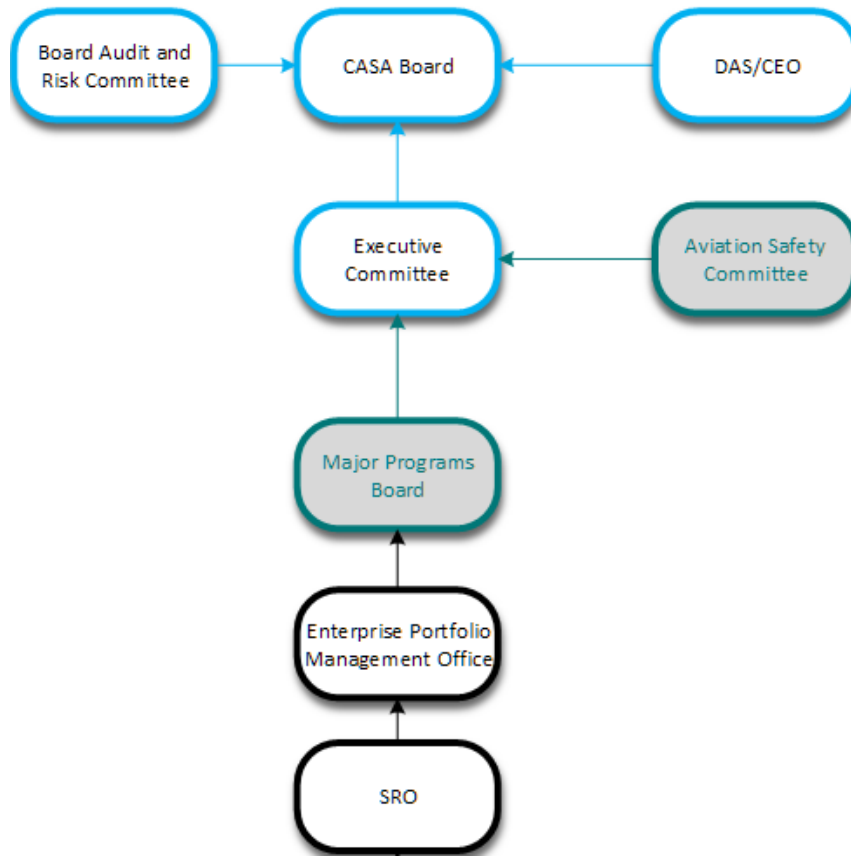
Source: 2022-23 EAP Project Management Plan, p.21.

Although CASA developed the figure above to show the accountabilities between the key organisational constructs, Internal Audit notes this diagram:

- does not provide sufficient detail to explain the roles, responsibilities and accountabilities of the MPB, EPMO and SRO, or help stakeholders understand the EAP Project management structure
- is inconsistent with CASA program / project management policy and better practice. That is, Figure 4.3 shows that the SRO is accountable to the EPMO (program / project assistance and assurance) rather than the MPB (Project Sponsor).[55] Based on Internal Audit analysis, the management structure that complies with CASA policy and better practice is shown in Figure 3.2 (Section 3.5).

While the linkages between the SRO and EPMO may be an error, it may also highlight a misalignment between the roles of the SRO, EPMO and MPB, and CASA policy and better practice.

Based on analysis of the high-level management structure (discussed above), the EAP Project specific management structure (see Figure 4.3 above), and EAP Project documentation, Internal Audit identified the following inconsistencies with better practice:

- **the EAP Project does not have a Project Board**. In accordance with better practice, the project manager (delivery lead) typically reports to a Project Board comprising a customer (a representative of the Executive / SRO); Senior User (Business); and the Senior Supplier (CIO). The Project Board is accountable for the success / failure of the project, and makes key decisions regarding project direction, resourcing and communication. Under current arrangements, the EAP Project reports to the MPB which should retain a portfolio oversight focus rather than acting as both a portfolio and a project board.

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[55] In accordance with the EPMO's mandate as specified in the *CASA Program / Project Management Framework* and project management better practice, the SRO is accountable to the Project Sponsor (MPB) and not the EPMO.

- **the Delivery Lead (Project Manager) reports to the Senior Supplier (CIO) and not the Project Board or SRO**. Under better practice, the Delivery Lead reports to, and take directions from, the Project Board which is led by the SRO (customer)
- **the Senior Supplier (CIO) controls the project budget and not the Project Board or SRO**. Under better practice, project resourcing decisions are made by the Project Board which is led by the SRO. As the SRO is ultimately accountable for the project, they should have control over project resourcing
- **staff outside the project organisation**[56] **currently provide input to EAP Project decision making processes**. This input includes the development of key project artefacts including business cases, project management plans, and project variations. There is evidence that this approach to project decision making significantly slows down project decision making (in some instances by several months). This issue is discussed further in Sections 4.5.2.1 and 4.5.2.2.
- **there is a potential risk of a conflict in the roles within the project management structure**. Better practice specifies it is important that assurance functions (such as quality assurance and project assurance) are independent of the areas they provide assurance over. Under the current project management structure staff within the CSD are at risk of having roles that conflict (see 4.5.2.2 for further information).

Appendix F provides an example of a proposed program and project management structure that addresses these areas.

4.3.1.2 Although the SRO is accountable for the delivery of the EAP Project, the SRO does not have visibility or control over key aspects of the project

Consistent with better practice, the SRO is accountable for the program / project, ensuring that it meets its objectives and realising the expected benefits. Although SROs can have a wide range of responsibilities, key among these include:

- creating and communicating the vision for the program / projects
- providing clear leadership and direction throughout the life of the projects
- securing the investment required to set up and run the program/projects
- establishing the program / projects governance arrangements and ensuring appropriate assurance (reporting to SRO) is in place
- maintaining alignment of the program/project with the entity's strategic direction
- ensuring the ongoing viability of the business case
- ensuring the effectiveness and performance of the program / project organisation
- monitoring the key strategic risks facing the program / projects.

Better practice specifies that the SRO "*must be empowered to direct the program and take on delivery*".[57] Ideally, the SRO's key responsibilities (which should be included in a documented terms of reference) should include:

- securing and overseeing the investment required to set up and run the program
- establishing the program's governance arrangements and ensuring appropriate assurance is in place.

Under the current management structures (see Figure 3.2 and Figure 4.3 above), although the SRO is accountable for the EAP Project, the points highlighted in Section 4.3.1.1 regarding inconsistencies with better practice illustrate that the SRO is not empowered to manage the project effectively. That is the SRO currently lacks visibility or control over the:

- the project budget
- Delivery Lead's roles and responsibilities (although the SRO and his team works closely with the Delivery Lead, the Delivery Lead is ultimately accountable to the Senior Supplier).

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[56] These are staff that CASA has not allocated a documented role within the EAP Project management structure.

[57] TSO, 2011, *Managing Successful Programmes – Best Practice Management*, p.38.

4.3.2 Risks

By not developing, and adhering to, a robust program management structure which specifies clear roles, responsibilities and accountabilities, there is an increased risk that applicable staff and contractors:

- will not fully understand their roles and responsibilities, as well as the roles and responsibilities of others, regarding EAP implementation
- will not be provided with an appropriate assurance framework to assist them to complete their EAP roles successfully
- will duplicate work, or work will not be completed at all
- cannot be held accountable for not delivering projects, workstreams and the EAP Program overall.

4.3.3 Recommendation 3

To provide increased assurance that the management of EAP implementation is clear and accords with better practice, Internal Audit recommends that the Chief Executive Officer implements a robust program management structure that:

1. articulates responsibilities and accountabilities clearly. This management structure should specify who (or which organisational construct) is responsible for: sponsoring the EAP Program; owning EAP; managing and delivering the program (possibly a Program Board); and providing program assurance to the program sponsor
2. ensures adequate business involvement and accountability in the delivery of the program. This could include key Executive Manager membership of a Program Board (or equivalent) – see Appendix F for an example
3. ensures adequate separation in the roles of persons involved in the project to avoid conflicts of interest. In particular, there should be adequate separation between the group program sponsor, program delivery and program assurance in accordance with better practice
4. empowers the SRO to deliver the EAP Program. This includes allowing the SRO to establish their own project management structures, allowing them appropriate visibility of projects / workstreams upon which EAP is dependent, and providing them with adequate control over the program budget and resources.

Recommended Implementation Date:	1 - 3 months

Management response

Responsible Role	Executive Manager, GTSS (EAP SRO)	
Agree/Disagree	Agree	
Comments/Action Plan	As noted in response to recommendation 1.2, CASA will establish clear governance arrangements for the EAP Program. 3.1. As a first step, CASA will identify roles, responsibilities and accountability for the EAP Program. 3.2. As part of the updated governance arrangements, business involvement and accountability will be clarified. 3.3. CASA will review current arrangements and determine whether any action is required to ensure there is adequate separation between project sponsor, delivery, and assurance to avoid any conflict of interest. 3.4. CASA will review current arrangements to determine any immediate changes to empower the SRO to deliver the EAP Program and to have adequate control over resourcing and budget	**HIGH**
Implementation Date	3.1. 31 January 2023 3.2. 30 April 2023 3.3. 31 January 2023 3.4. 31 January 2023	

4.4 Has CASA clearly articulated the current and future state of the EAP in accordance with best practice?

4.4.1 Background

For a program to be managed effectively, it is essential that an entity plans and manages its journey from where it is (current state) to where it needs to be (future state). An understanding of the current state and the gap (the difference between current and future states) is essential to be able to effectively explore alternative approaches to delivering a new capability.

Under better practice, this analysis is captured in a Target Operating Model (or "Target Blueprint"). The Target Blueprint is one of the core elements of program management and is in essence 'an aerial photograph' from the future, as it defines what everything will be like after the program is finished.

The Target Blueprint specifies a 'master plan' and not a specification of every detail. Each project and workstream within the program work on designing and implementing detailed building blocks, congruent with the Target Blueprint. Ideally, entities should include the current 'as is' state and 'intermediate future' state descriptions in the Target Blueprint, as well as the envisioned 'final future state'.

The Target Blueprint is not a static document, rather it must be consulted regularly, and kept up to date to reflect changes resulting from the delivery of projects and workstreams.

In this section, Internal Audit examines whether CASA has a clear understanding of what capability and functionality EAP currently provides (current state), and what capability and functionality it wants to obtain (future state).

4.4.2 Findings

4.4.2.1 CASA has not documented the current state regarding EAP implementation, including which benefits have been realised

As noted in Section 4.2.2.1, CASA has not systematically tracked and reported on the EAP Five Year Strategy's deliverables (shown in Appendix E) since it was developed in 2020-21. In April 2022, the CASA Board noted:

"Mis-management was highlighted as a key risk to successful delivery of the [EAP] *project and the Board indicated they had lost visibility of delivery against the original strategic plan tabled in August 2020. A full reconciliation of the EAP project against the original strategy was requested".*[58]

In response to the request for a full reconciliation, CASA provided the CASA Board with the following documents:

- *EAP module utilisation* diagram. This document shows the year-by-year utilisation of modules by CASA between 2020-21 to 2024-25. The diagram's title indicates that it was updated as at June 2022
- *Investment Table* (as at June 2021). This document aligns the EAP financial investment against development thematic, strategic outcomes, and benefits
- *EAP System: Investment and Benefits* PowerPoint slide. This document aligns CASA investments to internal and external business benefits
- *List of EAP Modules Purchased* (and their associated costs).

Aside from the documents above, CASA was unable to provide other documents demonstrating its progress in implementing the EAP Five Year strategy, including what EAP modules had been implemented and the functionality these modules provide. Although the documents above purport to provide an EAP current state as at June 2022, Internal Audit's analysis of these documents showed that:

- the *EAP module utilisation diagram* is inaccurate. The diagram shows the EAP Flight Crew and Air Traffic Controller Licensing Medical Module being implemented in 2022-23, when a decision was made in May 2020 not to proceed with implementing this module in the short term (see Appendix C). Further, although marked as being updated as at June 2022, this document is unchanged from a February 2021 version

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[58] CASA Minutes of Board Meeting 02-2022, 28 April 2022, p.6.

- the EAP modules specified in the *EAP module utilisation* diagram do not match those purchased in the *List of EAP Modules Purchased* (see Appendix D for the list of modules purchased)
- the benefits specified in the *Investment Table* and *EAP System: Investment and Benefits* PowerPoint slide cannot be reconciled either with each other, or with the benefits specified in the EAP Five Year Strategy. Consequently, it is difficult to use these documents to determine what benefits have been realised against the documents specified in the EAP Five Year strategy. This is consistent with the findings in Section 4.1.2.2.

Noting the analysis above, the information provided by CASA to the Board does not provide a clear reconciliation of CASA's progress in implementing the EAP Five Year Strategy. CASA will need to undertake extensive discovery work to develop a current state, including which deliverables specified in the EAP Five Year Strategy (see Appendix E), and which EAP modules (see Appendix D) have been: delivered fully; delivered partially; deferred to other years; or abandoned / no longer relevant.

4.4.2.2   CASA has not developed an appropriate Target Blueprint (specifying the intended EAP future state) and a Program Management Plan specifying how to transition from the EAP current state to the intended EAP future state

As discussed in Section 3.3, CASA's EAP Five Year Strategy specifies EAP annual deliverables from 2020-21 to 2024-25. This strategy provides some insight into the CASA current state in 2021, as well as aspects of a desired future state. However, as noted above, CASA has not monitored its progress in realising the deliverables specified in the strategy and cannot demonstrate whether these deliverables remain relevant and desirable.

Internal Audit considers that, given EAP's progress to date (see Section 4.1.2), developing a robust Target Blueprint is essential in providing a clear and agreed future state to the CASA Board, the CASA Executive Committee and the program team. That is, all key program stakeholders should have a clear understanding of what is going to be delivered. Ideally, the Target Blueprint should include:

- target business and technology policies, processes and procedures
- management structure (including providers), people and culture
- technology, tools and premises
- information streams, information/data architecture and information management
- operational performance (cost as well as service levels / Key Performance Indicators (KPIs)) and governance mechanisms
- services and their specifications to be provided by the enterprise's target state capability; such service provision is underpinned and enabled by the other dimensions of the Target Blueprint.

Another important function of the Target Blueprint is to specify who (which CASA Division/s) will own, pay for, and support EAP modules once they have been released into production. Internal Audit was advised that, at the time of audit fieldwork, an EAP owner or owners had not been identified.

Also, a number of CASA functional areas have indicated that EAP may enable the delivery of functions that are not specified clearly in the EAP Five Year Strategy. For example, EAP being used as a customer relationship management system to administer industry capture and conflict of interest risks. Internal Audit notes the development of a Target Blueprint should be distributed widely throughout CASA to manage staff perceptions regarding the type of services and functionality EAP will provide in the future.

If the Target Blueprint does not identify a function, that CASA has indicated EAP will deliver, CASA will need to ensure that additional work will need to be completed to address any potential risks of non-inclusion.

4.4.3   Risks

By not developing, monitoring and updating an appropriate EAP Target Blueprint, there is an increased risk that:

- applicable CASA staff and contractors responsible for EAP implementation will not have a common vision and understanding of the new capability they are working to realise
- there is an unclear basis for the Program Management Plan, and coordination between EAP related projects and workstreams to deliver common outputs and outcomes may suffer as a result

- EAP implementation timeframes are longer, and costs are higher than required if a Target Blueprint was developed.

4.4.4   Recommendation 4

To provide assurance that all EAP stakeholders have a clear picture of what EAP will look like once implemented, and what it will take to get there, Internal Audit Recommends that the Chief Executive Officer:

1. document the EAP 'current' state and 'future' state as part of a comprehensive Target Blueprint. This should include specification of who (which CASA functional area) will own EAP once it has been delivered
2. develop a comprehensive Program Management Plan, which clearly articulates how to transition from the 'current state' to the 'future state'. This includes an estimate of the total cost transitioning from the current state to the future state
3. clearly document program benefits based on the EAP 'future' state, and map those benefits to program outputs and outcomes.

Recommended Implementation Date:	1-3 months

Management response

Responsible Role	Chief Executive Officer	
Agree/Disagree	Agree	
Comments/Action Plan	4.1. The mapping of current state to future state is a logical activity that delivers benefits and awareness to all CASA staff while also ensuring other enabling or dependent activities are aligned, prioritised, and resourced. 4.2. This would be a dynamic document that required review every twelve months as aviation, technology and capabilities evolve. and provides a whole of CASA perspective. 4.3. Noting the recommended timeframe of 1-3 months and given significant competing priorities across CASA the timeframe should be extended to ensure a robust and comprehensive output.	**HIGH**
Implementation Date	End of April 2023	

4.5   Does EAP implementation have an effective assurance and oversight framework?

4.5.1   Background

Assurance is the assessment of specific aspects to generate confidence that the program or project is being managed effectively and that it is on track to realise the expected benefits and achieve desired outcomes. Assurance, like audit, should be carried out independently of the program or project and may be undertaken by either an internal team and / or an external review team.

All program and project management roles include a responsibility for making sure that assurance is undertaken for each role's particular areas of interest, regardless of whether the program or project will be subject to more formal audit scrutiny. For example, an SRO requires assurance that a program's business case and plans are being managed appropriately, and that work is aligned with the entity's strategic objectives.

More formal independent assurance / peer reviews may be carried out by individuals or groups from elsewhere in the organisation. The scope and purpose of these reviews should be clearly documented and can be carried out at any time during the program or project.

It is important that approaches to assurance are integrated, and that all the dimensions of the program are considered. Integration therefore needs to be designed, planned and properly funded from the outset. Poor assurance integration can lead to assurance duplication that can create unnecessary loads on the program; and insufficient assurance which can leave gaps where risks and issues are not identified and managed in a timely manner.

Consistent with better practice, there are two types of assurance:

- **quality assurance** (reports to program sponsor) provides a check that the project's direction and management are adequate for the nature of the project and that it complies with relevant corporate, program management or customer standards and policies. Quality assurance is therefore independent of the project.
- **program / project assurance** (reports to SRO) is the program or project board's responsibility to assure itself that the project is being conducted correctly. Although program / project assurance is independent of the program or project manager, it is not independent of the program or project board.

As discussed in Section 3.5, program and project assurance has its foundations in the EPMO, which is accountable to the MPB. One of the EPMO's key functions is providing quality assurance over major projects and programs. These quality assurance functions include:

- producing independent, and impartial project performance reporting to the relevant governance committees (e.g., the MPB) and CASA Board
- ensuring CASA's Project Management Framework and processes are followed by all applicable programs and projects
- reviewing and monitoring the progress and performance of CASA's portfolio, with the aim that the portfolio is delivered and return on investment is achieved
- informing relevant governance committees and the CASA Board of the actions and decisions made by a project to ensure program / project objectives are met and quality assurance activities are carried out.[59]

In this section, Internal Audit examined whether the: EPMO has fulfilled its quality assurance functions; framework used by the EAP Project team to provide assurance to the EAP SRO is adequate; and MPB is able to provide adequate oversight of EAP implementation.

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[59] CASA Program / Project Management Framework, June 2022, p.2.

4.5.2 Findings

4.5.2.1 The EPMO is currently not providing assurance that the EAP Five Year Strategy will be delivered on time

The EPMO currently provides reports to the MPB and the CASA Board which accompany regular status reports from CASA's Sensei IQ project portfolio management system. Although these reports include better practice performance information applicable to projects (e.g., timeframes, costs, risks / issues), these reports are limited to the management of the annual projects and not the delivery of the EAP Five Year Strategy.

As discussed in Section 4.4.2.1, the CASA Board had significant concerns regarding the delivery of EAP in accordance with the EAP Five Year Strategy. Similarly, since 2019, concerns have been raised by members of the MPB (and its predecessor, the Business Improvement Oversight Program Board) regarding EAP implementation progressing from its 'current' state to the preferred 'future' state. As discussed in Section 4.2, CASA may have had greater success in managing and reporting on EAP implementation progress to the MPB and CASA Board if it had been managed as a strategic business change program rather than a series of annual projects.

As specified in the CASA Program / Project Management Framework, two of the EPMO's responsibilities are to:

- provide advice on project and program governance
- guide and supporting program / project managers to apply CASA's project management framework.

There is no documented evidence that the EPMO identified any of the issues regarding the management and realisation of the EAP Five Year Strategy identified by Internal Audit. Similarly, there is no documented evidence that the EPMO had explored alternative EAP Program and project management delivery models to assist the SRO and other project management staff and to address MPB and CASA Board concerns regarding EAP performance reporting.

Internal Audit was advised, by the EPMO that program governance advice is not provided as CASA currently does not have a detailed approach to manage multi-year projects (that is, programs). The EPMO advised that it is currently in the process of developing this approach.

Ideally, as part of an updated approach to managing EAP implementation (see Recommendation 3), Internal Audit considers it is timely that the EPMO enhance its services to assist EAP implementation staff to: manage multi-year programs; identify and manage dependencies between EAP and other projects (including BAU projects); and report meaningfully on the performance of an EAP Program overall.

4.5.2.2 There are potential conflict risks between the EPMO (the EAP's independent quality assurer) and EAP management roles

As discussed in Section 4.5.1, better practice specifies that assurance activities should be carried out independently of program and project management. While the program or project management staff may validly perform *program / project assurance* activities, *quality assurance* responsibilities should be completely independent of the management of the program or project, to provide an independent assessment of performance to the program / project sponsor.

As shown in Figure 3.2 (Section 3.5), CASA's current program / project organisation is consistent with better practice, as it shows that the EPMO sits apart from program and project management and reports independently to the MPB (project sponsor). However, based on audit interviews, and a review of project artefact documentation and correspondence between key CASA staff, there is an increased risk of conflicted roles as individual CSD staff have multiple EAP related responsibilities which include:

- EPMO responsibilities (**quality assurance role**)
- project advisory responsibilities to the SRO (**project management role**)
- EAP budget oversight and accountability (**supplier role**)
- MPB membership (**project sponsor role**).

In accordance with better practice, quality assurance roles should be separate from project management roles, supplier roles, and project sponsor roles. However, in saying this, Internal Audit acknowledges that, given CASA's small size, the multiple business wide inputs required for the success of the EAP Project and the reality that project staff perform those roles in a broader organisational chain of command it may not be possible to avoid some level of conflict in the interface between the oversight of the EPMO and the management inputs into the EAP Project.

Restructuring of the program governance organisation may also serve to resolve or minimise this issue.

4.5.2.3 The assurance framework used by the EAP Project is inadequate to identify and manage risks and issues applicable to the successful delivery of EAP

As discussed in Section 4.1.1, when assessed against the original timeframes, scope, and costs, EAP implementation has not been successful. In addition, CASA does not have a clear picture of EAP's 'current' state and what it wants EAP to look like in the future (Section 4.4) (i.e., 'future' state). Given this history, developing and implementing a robust assurance framework is essential.

Under the *CASA Program / Project Management Framework*, it is the SRO and Project Manager's responsibility to plan and define assurance activities throughout the life of the program / project. This assurance framework must be documented in the Program / Project Management Plan. As discussed previously, it the responsibility of the EPMO to advise the SRO and Project Manager on assurance requirements and ensure an appropriate assurance framework is adequately described in the program / project management plan.

Although the 2022-23 EAP Project Management Plan identifies that a quality assurance framework is required, Internal Audit could find no evidence that an appropriate independent project assurance and quality assurance framework had been developed and implemented. Although some assurance activities were completed by the EPMO for the 2022-23 EAP Project, as discussed in Section 4.5.2.1, by itself this assurance is not adequate given the overall performance of EAP implementation to date (see Section 4.1).

Ideally, CASA should seek to develop a more comprehensive program assurance and quality assurance approach to EAP implementation, which could include the development of a separate EAP: quality and assurance strategy; quality and assurance plan; and the engagement of a benefits realisation manager.

Also, the *CASA Program / Project Management Framework* and better practice specifies an essential aspect of obtaining assurance that a project's objectives are achieved is the production of a project closure report. A project closure report is the last deliverable of any project and is the measure of the project's overall success. Internal Audit notes that although CASA produced a project closure report for the 2020-21 EAP Project, it did not produce a similar report for the 2021-22 EAP Project.

4.5.2.4 CASA could improve its effectiveness by focusing on whether CASA programs, rather than individual projects are supporting the achievement of CASA's strategic objectives

As discussed previously, the MPB performs a similar role to a Program Group Sponsor as specified in better practice (see Appendix F). Its terms of reference state that the MPB is tasked with providing CASA with: whole-of-portfolio oversight of agreed programs and projects; and identifying and managing dependencies at a whole-of-CASA perspective. The specific roles of the MPB are to:

- provide strategic oversight of all projects and programs of work. The remit includes projects, programs of work, as well as interdependent and enabling activities.
- oversee 'major' programs and projects through reporting to each MPB meeting
- be a decision-making body. This includes (amongst other functions): approving programs and projects; resolving escalated risks and issues; ensuring appropriate resourcing is available for approved programs and projects; and recommending potential investment decisions.

As discussed above, the MPB has been monitoring the delivery of EAP implementation through status reports applicable to annual EAP Projects. As a result, members of the MPB interviewed as part of this audit noted they do not have a clear sense of how EAP implementation is progressing against the EAP Five Year Strategy.[60]

Noting the role of the MPB is to provide CASA with whole-of-portfolio oversight of agreed programs and projects, and identifying and managing dependencies between projects, the MPB's current EAP oversight activities regarding EAP appear to depart from this role. That is, the MPB currently:

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[60] As discussed in Sections 4.4.2.1 and 4.4.2.1, CASA does not have a clear understanding of the EAP 'current' state, and is not in a position to report on the delivery of the EAP Five Year Program.

- receives and reviews detailed status reports that are difficult to understand without a specific knowledge of the project. Ideally, reporting should be strategic in nature, and focus on the delivery of the EAP Program overall not just annually
- approves short-term (high volume) documents such as annual project management plans, and multiple project variation requests applicable to the day-to-day management of the EAP Project. Ideally, artefact approvals at the MPB level should relate to multi-year program management plans and associated budgets and key strategic documents such as Target Blueprints. Variations to these artefacts should also be approved by the MPB
- appears to be involved in detailed decisions regarding the day-to-day management of an annual project. To be consistent with its stated role, the MPB should be making strategic decisions regarding multi-year programs, monitoring the achievement of program level outputs, outcomes and benefits, and monitoring progress against the Target Blueprint.

Under an appropriate program management framework (see Appendix F), a Program Board (comprising the SRO and relevant executive) could make many of the day-to-day decisions regarding annual EAP ICT and business projects currently being performed by the MPB. Delegating the approval of working-level EAP Program management plans and variation requests could:

- improve the timeliness of approving EAP Project artefacts including project management plans and project variation requests. At the time of this audit, the 2022-23 EAP Project Management Plan took approximately six months to clear through the MPB
- allow the MPB to focus on strategic issues including whether CASA programs are aligned to, and delivering against, CASA's strategic objectives.

4.5.3   Risks

There is an increased risk that the EAP will not be delivered on time, within budget and as envisaged if the EAP management structure does not:

- include a robust assurance framework that addresses quality assurance and program / project assurance
- have an assurance function that is independent of the project management, the senior supplier, and the group sponsor
- have a program group sponsor that oversees the delivery of EAP implementation from a strategic standpoint.

4.5.4   Business Process Improvement Recommendation 1

To provide adequate assurance that the EPMO is effective in providing independent assurance regarding strategic programs such as the EAP, Internal Audit suggests that Chief Executive Officer reviews whether the present oversight arrangements for the EPMO best minimise the potential for conflicts of interest between program / project functions including program / project: management; service supply; oversight; and assurance.

Management response

Responsible Role	Chief Executive Officer
Agree/Disagree	Agree
Comments/Action Plan	The oversight arrangements for the EPMO will be considered as part of the establishment of the revised governance arrangements for the EAP program proposed in the response to recommendation 1.2. As noted in the response to recommendation 3, these governance arrangements will take into account the need to ensure that there is adequate separation between project sponsor, delivery and assurance to avoid any conflict of interest.
Implementation Date	30 April 2023

4.5.5 Recommendation 5

To obtain assurance that CASA's investment portfolio is aligned appropriately to its strategic objectives, Internal Audit recommends that Chief Executive Officer align the roles and functions of the MPB to:

1. focus on the delivery of strategic programs to achieve CASA's strategic objectives, rather than individual projects
2. provide adequate assurance that the portfolio of projects will deliver CASA's strategic objectives.

Recommended Implementation Date:	3-6 months

Management response

Responsible Role	Chief Executive Officer (Chair MPB)	
Agree/Disagree	Agree	
Comments/Action Plan	5.1. The Major Programs Board (MPB) has recently been reviewed to lift the focus of the Board to oversight the agreed five programs aligned to CASA's strategic objectives – EAP, myCASA, ServiceNow, RPAS and Cloud migration. 5.2. EPMO will review the findings of the internal audit against current practices to identify any further changes to ensure the MPB has clear oversight of the portfolio of programs aligned to CASA's objectives.	**MEDIUM**
Implementation Date	5.1. Complete 5.2. 1 December 2022	

4.5.6 Recommendation 6

To manage the risks and issues applicable to EAP implementation appropriately, Internal Audit recommends that, as part of an updated EAP Program management structure (see Recommendation 1), that the Chief Executive Officer, through the EPMO, ensures that:

1. all future EAP Programs and projects have an appropriate quality and assurance framework. This framework may include, but is not limited to: a quality and assurance strategy; a quality and assurance plan; and the engagement of a benefits realisation manager
2. ongoing program quality assurance reports are provided to, and reviewed, by the MPB.

Recommended Implementation Date:	3-6 months[61]

Management response

Responsible Role	Chief Executive Officer	
Agree/Disagree	Agree	
Comments/Action Plan	6.1. The independent review outlined in response to Recommendation 1 will include as part of its deliverables the development of a recommended EAP quality and assurance framework. 6.2. EAP Program quality assurance reports will be provided to the MPB in accordance with an agreed schedule.	**HIGH**
Implementation Date	6.1. Mid May 2023 6.2. End of May 2023	

[61] A timeframe of 3-6 months has been assigned to this "high" recommendation, as CASA will in to implement a new project management structure. Once this structure has been embedded and quality management controls established, CASA will be in position for the EPMO to commence reporting to the MPB.

4.6 Does CASA produce meaningful EAP implementation performance reports to assist decision makers to make informed decisions?

4.6.1 Background

Performance reporting is an essential element of better practice programs and project management as it provides key stakeholders including the CASA Board, Program Sponsoring Group (MPB) and the SRO with: the information they need to make informed decisions regarding the alignment of programs and projects to the achievements of an entity's strategic objectives; and the allocation of scarce CASA resources.

As discussed in Section 4.1, CASA collects EAP Project information that can be, and has been used to assess EAP Project performance. This information relates to: timescales; costs; quality; scope; benefits; and risk. However, as discussed in Sections 4.2 and 4.3, this information has not been collected at an EAP Program level and does not allow a meaningful assessment of CASA's EAP implementation against the EAP Five Year Strategy.

In this section, Internal Audit examines CASA's EAP Project status reporting processes, and the risks associated with these processes regarding the provision of meaningful performance information to stakeholders for informed decision-making. Internal Audit also examined how CASA has tracked and reported its costs associated with EAP implementation.

4.6.2 Findings

4.6.2.1 EAP performance information is reported at a project level and does not provide a meaningful performance assessment against the implementation of the EAP Five Year Strategy and whether the strategy's benefits will be realised

The EAP Project team monitors and reports on its performance:

- weekly, through its weekly reporting to the SRO. This reporting is timely and articulates: the project phase; the project activities completed; the project activities yet to be completed; BAU (business) activities to be completed; risks and issues; and an assessment against project milestones
- monthly, through status reporting. This is achieved through CASA's Sensei IQ system which is sent to the EPMO and forwarded to the MPB, CASA and the CASA Executive Committee for review. These reports include an assessment of the EAP Project against: overall project status; schedule (timescales); risks and issues; changes; deliverables; costs; and workflow. As discussed above, the type of information reported in these reports is consistent with better practice
- monthly, through portfolio status reporting (through CASA's Sensei IQ system). This monthly report provides an overall traffic light report on CASA's portfolio of major projects.

The information contained in all these reports is consistent with better practice, and useful to the project team and SRO to manage the EAP Project on a day-to-day basis. However, the information contained in the reports above is less valuable to stakeholders that require information for strategic decision making including the MPB, CASA Executive Committee and the CASA Board.

Meetings with MPB members (including an external member), revealed some frustration with the level and type of EAP performance reporting, as these reports did not provide an assessment of progress in implementing EAP overall (against the EAP Five Year strategy).

In fact, Internal Audit considers that the way EAP reporting is structured can potentially obscure whether the EAP Five Year Strategy is being delivered. As discussed above, EAP Projects are reset annually (including budgets), and are subject to periodic resets when project variation requests are approved. This has the effect of moving an EAP Project that is reporting as "red" to report "green" within a short period of time through the approval of a project variation request, or the closure of a project at the end of a financial year. Examples of switching EAP performance from "red" to "green" can be seen in MPB and Executive Committee minutes. For example:

"[CASA Senior Executive] …*highlighted that the EAP* [project] *whilst currently reporting as red, the next BIOPB* [MPB] *is due to consider a revised project plan that if approved would return the EAP program to a green status in the March 2020 report.*"

"EAP Enablement – continuing to report a red status from December 2019 due to an underspend and activities to re-baseline the project. The project will return to green in February 2020 with approved scope, schedule and a revised financial forecast."

Consequently, this type of reporting does not provide the MPB, CASA Executive Committee and CASA Board with an overall assessment of EAP implementation from end-to-end. In addition, this type of reporting can lead to a misleading assessment of overall project performance in project closure reports. For example, in the 2011 EAP Implementation Project Closure Report, it was concluded that:

- overall, the project delivered on its commitments with a few exceptions
- the project budget was underspent.

CASA was able to make these claims in its project closure report because the 2011 EAP Implementation Project Plan underwent several iterations - the last being in August 2015 (approximately eight months before the project was closed). In contrast, as discussed in Section 3.3, by the time the time the 2011 EAP Implementation Project was closed:

- CASA had not implemented many of the EAP modules purchased originally
- the implementation of EAP modules took three years longer than planned
- the project was significantly over the original budget of $9.1 million. At closure, the project budget was $20.7 million.

4.6.2.2 Some project costs (mainly ICT costs) are tracked and accounted for. However, significant business costs and the costs associated with establishing, maintaining and decommissioning systems performing similar functions to EAP are not monitored and reported

Chapter 14 of CASA's Finance Manual provides the rules and guidelines project accountants must use to manage project budgets. This manual is comprehensive and clearly establishes:

- budgeting methods
- cost allocation methods
- finance approval processes
- how the finance branch fits into broader project management processes
- financial assurance (including milestone reviews etc.).

As part of CASA's budgeting and cost allocation methodology, CASA decided that:

- costs pertaining to any internal BAU resource, contributing less than 20 percent (0.2 ASL) to a project in a month, are not to be allocated to projects
- indirect costs applicable to CASA staff (including: corporate support costs; human resource costs; finance costs; and property costs) are not allocated to the project.

Prior to 2020, CASA did not systematically keep complete financial records of EAP Project expenditure. That is, as noted in Section 3.3, between 2017-2020, work on EAP implementation was not managed as systematically when compared to subsequent years. However, the current project accountant has undertaken significant forensic accounting work to identify EAP expenditure dating back to 2011. Based on this work, and Internal Audit's analysis of ongoing operating costs, a conservative estimate of the actual expenditure on EAP as at 30 September 2022:

- $39.5 million on EAP Project implementation costs
- $19.7 million on EAP support costs (including licensing fees and other support costs).

Internal Audit notes that based on the EAP Project expenditure cost estimates above, the cost of implementing EAP is already over 600 per cent higher than originally anticipated in 2011 when EAP was purchased.

Internal Audit further notes that the actual expenditure applicable to EAP implementation is likely to be far higher, as business costs associated with EAP system configuration have not been captured (see Section 4.2.2.2 for an example of this work). Although it is not possible to estimate these costs accurately, based on discussions with EAP Project staff regarding work effort on the 2022-23 EAP Project, approximately 75 per cent of the work effort applicable to the project can be attributed to business collating and developing PPWs and aviation certificates, with the remaining 25 per cent for ICT configuration.

Therefore, under the costing method, up to 75 per cent of the total work effort for the 2022-23 EAP Project is considered BAU and is not captured. As discussed in Section 4.2.2.2, if CASA were to manage EAP implementation as a strategic business change program, it could capture these costs by managing key dependencies as either projects or workstreams with associated budgets. Internal Audit's interpretation of the potential project or workstreams CASA requires to complete EAP implementation (in accordance with the EAP Five Year Strategy) is shown in Appendix F.

Also, as discussed in Section 3.3, because CASA was unable to implement EAP within its intended timeframes, it had to develop and maintain six additional ICT systems.[62] Although comprehensive data applicable to the development of these additional systems is not readily available, the indicative minimum costs to develop these systems is shown in Table 4.2 below.

Table 4.2 Development and annual support costs attributable to systems performing the same functions as EAP

System	System Development Costs	Annual Support Costs	Project delivered
EICMS	$630 873	$171 064	November 2016
MRS	$4.4 million	$126 850	May 2016
Sky Sentinel	$1.04 million	Unknown	June 2012
RAPS	$103 348	Decommissioned	September 2014
TaskTrac	$131 935	Decommissioned	June 2017
Fee Estimator	$26 000	Unknown	April 2012

Source: Internal Audit analysis of CASA project and contract information.

Internal Audit notes that, had EAP been implemented as planned, the costs for these systems would not have been incurred.

4.6.3 Risks

Not providing accurate project performance reports to key stakeholders with decision making responsibilities increases the risk that key programs and project are not delivered on time, within budget and entity strategic objectives are not achieved.

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[62] See Appendix C below for a description of the five interim systems and their functionality.

4.6.4   Recommendation 7

Consistent with Recommendation 2 of this report, Internal Audit Recommends that the Chief Executive Officer develop and implement an EAP performance reporting framework that:

1. provides program level performance reports to key stakeholders including the MPB, CASA Executive Committee and the CASA Board

2. includes costs of business (Regulatory Oversight Division and National Operations and Standards Division) projects, workstreams and activities applicable to the delivery of EAP.

Recommended Implementation Date:	1-3 months

Management response

Responsible Role	Chief Executive Officer	
Agree/Disagree	Agree	
Comments/Action Plan	As noted in response to recommendation 1.2, CASA will establish clear governance arrangements for the EAP Program. 7.1. The governance arrangements for the EAP Program will include a performance reporting process and framework for MPB, CASA Board and the CASA Executive. 7.2. Performance reports will include costs associated with CASA business areas contributing to the EAP Project.	**HIGH**
Implementation Date	7.1. 28 February 2023 7.2. 31 March 2023	

Appendix A   Audit Overview and Methodology

Key risks

Key risks if CASA does not administer the EAP Project effectively include:

- loss of stakeholder and public confidence in CASA as a competent and effective safety regulator
- CASA's ability to deliver its services consistent with industry and the Government's expectations[63] is comprised
- the project is unable to deliver the anticipated functionality within the defined timeframe and budget.

Audit approach

This internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Internal Audit completed the following key steps in conducting the internal audit:

- Develop a scoping document through consultation with key stakeholders
- Provide a copy of the scoping document to the BARC and Board for endorsement
- Conduct an Entry Meeting to obtain sign-off from the Executive Manager, GTSS
- Develop an understanding of how CASA manages the EAP Project
- Prepare an Audit Program
- Conduct audit fieldwork including interviews and sample testing (where relevant)
- Prepare a post impressions document for discussion with the CEO and Executive Manager, GTSS
- Prepare a Draft Report and share with key stakeholders
- Conduct an Exit Meeting to confirm the validity of findings with key stakeholders
- Distribute the draft report to relevant stakeholders for formal management comment
- Release the final report to the Audit Sponsor and the BARC.

Process understanding

To gain an understanding of CASA's EAP and implementation processes, Internal Audit considered relevant documentation including, but not limited to:

- CASA Program/Project Management Framework
- EAP Project artefacts including:
  - ► business cases
  - ► project management plans
  - ► project variation requests
  - ► project status reports.
- EMPIC-EAP contracts
- Reviews of EAP
- Minutes and papers from the MPB and CASA Board
- Internal Audit and ANAO reports applicable to the EAP.

Risk analysis

Internal Audit identified and considered key risks associated with the EAP Project and the associated internal controls that assist CASA to mitigate those risks.

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[63] As set out in the Minister's Statement of Expectation (January 2022 – June 2023)

Validation

Internal Audit conducted testing of key controls to determine whether effective mechanisms are in place to mitigate the identified risks.

Audit timeframe

Audit Phase	Commencement	Completion
Scoping	June 2022	July 2022
Entry Interview	July 2022	July 2022
Fieldwork	July 2022	October 2022
Draft Report	October 2022	October 2022
Exit Interview	October 2022	October 2022
Management Comments	October 2022	November 2022
Final Report	November 2022	November 2022
BARC Tabling	23 November 2022	23 November 2022

Consultations

Internal Audit conducted interviews with the following key personnel:

Name	Position/Role
Andy Sparrow	Executive Manager Guidance, Transformation and Safety System/EAP Senior Responsible Officer
Kylie Ceely	Senior Accountant Project Accounting/EAP Finance Manager
Marcel Canale	EAP Business Analyst
Paul Cartolano	EAP Project Manager
Susie Woonton	EAP Project Director
Anthony Warnock	Chief Information Officer / EAP Senior Supplier
Marianne Wishart	Information Technology Branch Business Manager
Owen Lange	Senior Program Manager myCASA
Michelle Massey	Branch Manager Corporate Strategy and Transformation
Tegan Blunden	Section Manager Change and Enterprise Portfolio Management Office
Ryan Gibson	Enterprise Portfolio Management Office Team Leader
Philippa Crome	Executive Manager Corporate Service
Jose Fernandez Hernandez	Project Manager
Michelle D'Souza	EAP Lead Liaison Officer
Niels Bunte	Branch Manager Operational Implementation
Mark Binskin	CASA Board Chair
Katie Doherty	EAP Project Engagement Officer
Clarke McNamara	National Manager Guidance Delivery
Damian Gossip	Information Technology Branch Business Analyst
Laura Carlton	National Manager Regulatory Services 1 / Previous EAP Project Director
John Shepherd	Major Programs Board – Independent Member
Thierry Masquilier	Change Manager
Pip Spence	Chief Executive Officer / Director of Aviation Safety

Australian Government
Civil Aviation Safety Authority

Audit Team

- Jon Hansen, Aitch Advisory
- Patrick Kevin, Subject Matter Expert, Advizon Consulting
- MJ Jayona, Senior Internal Audit and Assurance Officer, CASA.

Appendix B   Risk Matrix

This Likelihood Criteria		Consequence Criteria				
		Insignificant	Minor	Moderate	Major	Critical
From past experience, it would be unusual for the event to not occur in routine circumstances	Almost certain	Medium	Medium	High	Extreme	Extreme
From past experience, the event will probably occur in routine circumstances	Likely	Medium	Medium	High	High	Extreme
The event is unusual and should occur at some time	Possible	Low	Medium	Medium	High	High
Unusual however, the event could occur under some circumstances	Unlikely	Low	Low	Medium	Medium	High
Very unusual event which could only occur in exceptional circumstances	Rare	Low	Low	Low	Medium	Medium

Table of audit finding categories assigned to attributes and indicators

Internal Audit category descriptors

Risk Rating	Category Description
High	Those matters which pose significant risks for CASA and need to be addressed by appropriate level of management immediately from the date of notification of the matter/s.
Medium	Those matters which pose moderate risks for CASA or matters that have been referred to management in the past and have not been addressed satisfactorily.
Low	Those matters, including lack of management control, project management and communication skills of a non-systemic nature, and which pose minor risk for CASA.
Better Practice Improvement Recommendation (BIR)	The Internal Auditor considers that the recommendation, if implemented would result in a benefit to the organisation (for example, through a more efficient and/or cost-effective processes, a reduction of expenditure or an increase in revenue) and is to be considered by management in a timely manner.

To amplify this guidance the table below indicates likely attributes of each Category. It is stressed this guidance is indicative only and the rating is ultimately a matter for professional judgement by the auditor.

NOTE: All fraud cases identified are reported as 'Significant' High Risk.

Auditors are also to provide a view on the significance of reported findings in the overall audit summary conclusion, for example taking into account the extent and number of findings and CASA performance relative to 'good practice'.

Indicative or likely attributes of Internal Audit category ratings

| Factors considered	Category 1 (High)	Category 2 (Medium)	Category 3 (Low)
Risk level	• Presents significant risk for CASA.	• Presents moderate risk for CASA.	• Presents minor risk for CASA
Existence/appropriateness/adequacy of policies and procedures	• Ineffectual or no documented policy and procedure exists; and • Likelihood and/or impact means uncontrolled risk is assessed as significant.	• Poorly documented policy and procedure exists; or • Existing policy and procedures are not considered appropriate and/or inadequate; and • Uncontrolled risk would threaten effectiveness or efficiency of CASA operations.	• Existing policy and procedure are appropriate but out of date; or • Existing policy and procedures do not reflect actual practices; and • The effect is not considered of serious consequence.
Compliance with CASA and Commonwealth Policy, Legislation breaches and Procedures.	• Non-compliance with policy, legislation or procedure resulting in ineffective internal control that is significant and fundamental to satisfactory operation of critical processes.	• Non-compliance with policy, legislation or procedure on a frequent basis that results in ineffective or diminished effectiveness of controls relevant to satisfactory operation of core processes.	• Non-compliance with policy, legislation and procedure on an infrequent basis that results in internal controls not operating as designed
Breach of delegations	• Any one of the following individually or in combination: • Dollar values: **Significant** • Frequency of breaches: **Regular** • Documentation to support exercise of delegation: **Doesn't exist**	• Any one of the following individually or in combination: • Dollar values: **Medium** • Frequency of breaches: **Periodic** • Documentation to support exercise of delegation: **Not adequate**	• Any one of the following individually or in combination: • Dollar values: **Small** • Frequency of breaches: **Isolated** • Documentation to support: **Could be improved**
Indicative timing of response action (subject interdependencies, management priorities etc.)	Comprehensive action plan as a high priority within **3 months** with progress being monitored by an appropriate level of management.	Action plan determined & implemented as a matter of priority to ensure internal control systems are functioning adequately within **6 months**.	Action to be taken to address the weakness within **12 months**.

Appendix C Development and replacement of CASA regulatory and surveillance systems

Leading up to the introduction of EAP in 2011, CASA used a wide range of systems to manage its regulatory services and surveillance activities. In 2005, CASA introduced its **Aviation Industry Regulation System (AIRS)** to manage information regarding individuals, organisations, and permissions associated with CASA's client base. Although this ICT system was appropriate for the time, a range of other systems were required to supplement AIRS's functionality. These systems included:

- **Audit Work System (AWS)**: was introduced in 2002 as a complete auditing package designed specifically for the Aviation Regulator.
- **Aviation Safety Surveillance Program (ASSP)**: implemented in 1996, ASSP is an Oracle, purpose-built application, unupgradable due to age, system complexity, and lack of source code and expertise. ASSP is a national system storing basic surveillance information such as for General Aviation with no ability to support risk analysis.
- **eRooms**: was introduced in 2003 was an ICT collaborative platform used for core business processing. eRooms used to cover Safety Assurance, Aerodromes, Flight Testing Office, National Operations, Legal Affairs, Regulatory Policy and International Strategy, Manual Authoring and Assessment Tool (MAAT), Flight Simulation Training Devices, Investigations and Enforcement.
- **Workflow Management System (WMS)**: was introduced in 2001 to provide a workflow for the processing of Air Operator Certificates (AOC), Certificates of Approval (COA), Complaints and General Enquiries.
- **Cyber Exams**: was introduced in 2001 as a digital flight crew exam system.
- **Medical Records System (MRS)**: was first introduced in 2001, as a purpose-built medical record system for the core function of processing medical assessments.

Between July 2011 and September 2022, CASA phased-out the legacy systems above while developing and implementing EAP. However, during this time, CASA introduced a number of additional ICT systems to supplement EAP functionality while it was being configured. This is shown in Figure C.1 below.

Figure C.1: Overlay of CASA's systems since the EAP acquisition
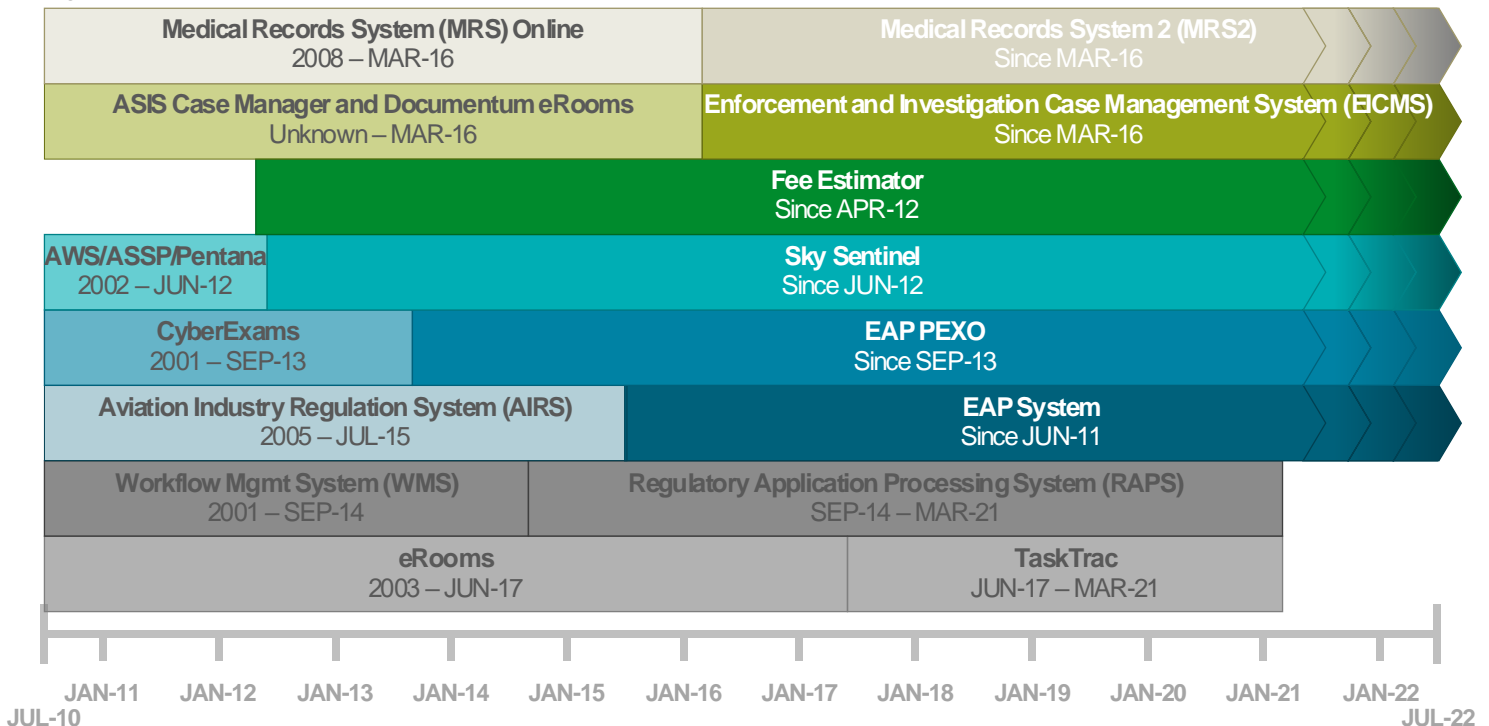
Source: Internal Audit analysis of CASA information

As shown in the figure above, five key ICT systems introduced by CASA to supplement EAP functionality while it was being configured. These systems are:

- **Sky Sentinel**: was introduced in 2012 and is a surveillance management tool to support Authorisation Holder surveillance activities. It supports the continuous surveillance process and is designed to capture a range of information about Authorisation Holders and surveillance activities.

- **Regulatory Application Processing System (RAPS)**: was introduced in 2014 as a replacement for the Workflow Management System (WMS), which between 2012 and 2013 lost significant amounts of regulatory services data. RAPS itself was introduced as a temporary solution while the relevant EAP modules were being configured.

- **TaskTrac**: was introduced in 2017 as the replacement system for eRooms. It provides a more contemporary solution for core business processing, is easier to use, provides improved supportability, and reduced organisational risks regarding data retention and business processing.

- **Fee Estimator**: was introduced in April 2012 and is the primary system used by regulatory services staff to estimate and process costs CASA is permitted to recover from its clients. This system also used to issue refunds to clients when the CASA estimated costs are less that those incurred by CASA.

- **MRS: MRS Online** was introduced in 2008 and was replaced with MRS2 in March 2016 significantly improving functionality. MRS2 currently processes more than 20,000 applications (FY20-21 annual report). In May 2020, the then DAS determined that, in the short term, EAP would not replace MRS.

As Figure C.1 shows, after 11 years since EAP was purchased, CASA has not achieved its goal of having a "single source of truth" as regulation services and surveillance staff currently must interrogate up to five systems (EAP, CRM (EICMS), MRS, RMS[64], Sky Sentinel), as well as their own bespoke information to build a complete picture of CASA clients (individuals and organisations), licenses and permissions.

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[64] CASA's Records Management System (RMS), is CASA's official records management system. RMS is CASA's only ICT system that is compliant with Australian Government information management standards. All CASA official records must be stored in RMS.

Appendix D List of EAP modules purchased by CASA from EMPIC

Purchased in 2011

№	Area	Software Modules
1	Central Modules	EMPIC® CM: Customer Management (Contacts, Addresses, Groups)
2		EMPIC® SEC: Security, Permission Management to all Modules
3		EMPIC® QS: Query Synthesizer, Query Tool for cross-module reports
4	Personnel Licensing	EMPIC® FCL: Flight Crew Licensing, Pilot and Crew Licences
5		EMPIC® FCL-M: Flight Crew Licensing – Medical
6		EMPIC® ANS: Air Navigation Services with Air Traffic Controller Licensing
7		EMPIC® ANS-M: Air Traffic Controller Licensing – Medical (add on)
8		EMPIC® MPL: Maintenance Personnel Licensing
9		EMPIC® EXS for FCL: Flight Crew License Examination System (Third Party by LPLUS)
10		EMPIC® EXS for MPL: Maintenance Personnel License Examination System (Third Party by LPLUS)
11		LPUS-Booking-Tool (Part-FCL und Part-66)
12	Technical Areas	EMPIC® TC: Type Certification, Airworthiness Directives and Environment Certificates
13		EMPIC® AR: Aircraft Registration
14		EMPIC® AO: Aircraft Ownership
15		EMPIC® FSTD: Flight Simulation Training Devices
16	Approval & Surveillance	EMPIC® OAS: Organisation Approvals and Surveillance Module EMPIC® OAS consisting of:
17		EMPIC® OPS: Air Operators
18		EMPIC® MC: Maintenance Companies
19		EMPIC® FS: Flight Schools
20		EMPIC® MT: Maintenance Training Organisations
21		EMPIC® POA: Production Organisation Approval
22		EMPIC® DOA: Design Organisation Approval
23		EMPIC® AP: Airports
24		EMPIC® ATM: Air Traffic Management
25		EMPIC® SL: Surveillance Layer for Compliance Management
26	Extended Connections	EMPIC® ERP: Interface to Enterprise Resource Planning Software
27		CM-Web Connector
28		Web Service for EMPIC® QS
29		Web Service for EMPIC® DMS/Archive: Data Management System

Purchased after 2011

№	Area	Software Modules
30		EMPIC® WF: Simple workflow capability
31		EMPIC® WEB; Web Client – user login
32		EMPIC® WEB; Web Client – update CM data
33		EMPIC® WEB; Web Client – forms start workflow
34		EMPIC® WEB; View FCL data
35		EMPIC® WEB; Web Client – generic forms
36		Payment on Production with EMPIC® WEB; Web Client with V. 5.1.3 licence
37		Payment on Production with EMPIC® WF; Workflow with V. 5.1.3 licence
38		EMPIC® WF; Workflow Capability: Complex workflow

39		EMPIC® WF; Workflow Capability: with Workflow opens licence holder
40		EMPIC® WEB; Web Client – view MPL
41		EMPIC® WEB; Web Client – with 'add endorsements'
42		EMPIC® WEB; Web Client – with documents copied to licence folder
43		EMPIC® WEB; Web Client – view ANS
44		EMPIC® WEB; Web Client – with report a flight test result
45		EMPIC® WEB; Web Client – with generic form – MPL
46		EMPIC® WEB; Web Client – with generic form – ANS
47		EMPIC® WEB; Web Client – with generic form – FCL
48		EMPIC® WEB; Web Client – with 'register a flight test use case "veronica 2"
49		EMPIC® WEB; Web Client – with fix finding
50		EMPIC® WEB; Web Client – with View AR
51		EMPIC® WEB; Web Client – with reservation of registration mark
52		EMPIC® WEB; Web Client – with Generic form
53		EMPIC® WEB; Web Client – with user registration and password reset functionality

Source: Extract from EMIPC-EAP Contract and subsequent ITB Information

Appendix E   CASA's EAP Five Year Strategy

CASA High-Level EAP Strategy

FY20/21	FY21/22	FY22/23	FY23/24	FY24/25
Case Management capability for Organisational Approvals and Surveillance	Organisational Approvals and Surveillance for Airworthiness, Flight Training and Flight Ops, and standardised technical data	Organisational Approvals and Surveillance for Communication and ATC and Aerodromes, and FCL and ATCL medical capability	Licencing Exams capability and financial integration with Tech1	Further system optimisation utilising Case Management and Workflow functionality, streamlined connectivity with the Defect Report Service and increased user reporting and statistics
Case Management capability for Organisational Approvals and Surveillance module implemented	ICAO aircraft and engine taxonomies implemented	EAP Configuration of Entry Control and Surveillance Checklists for Communication and Air Traffic Control Aerodromes	EAP Configuration of Flight Crew Licencing Exams and Maintenance Engineer Exams	Implement Further EAP Module Optimisation Utilising Case Management and Workflow Functionality
Decommissioning of Task Trac System	EAP Configuration of Entry Control and Surveillance Checklists for Airworthiness Flight Training Flight Operations	EAP Configuration for Flight Crew Licencing Medical and Air Traffic Controller Licencing Medical	EAP Configuration of Billing and Invoicing with FMIS Tech1	EAP Configuration of Query Synthesizer with Reporting and Statistics
Decommissioning of RAPS System	EAP Configuration of Aircraft Registration, Type Certificate, Flight Simulation Training Devices including reference data installed in EAP	(optional – new module) EAP Configuration of Risk and Performance Based Oversight	(optional – new module) EAP Configuration of Enforcement Register	EAP Configuration of Defect Report Service connectivity
Development of Entry Control Assessment and Surveillance Checklists for Airworthiness Flight Training Flight Operations	Progressive integration with the Records Management System	Progressive integration with the Records Management System	Progressive integration with the Records Management System	Other ICAO taxonomies identified and implemented
	Preliminary Analysis for Flight Crew Licencing Medical and Air Traffic Controller Licencing Medical integration	Decommissioning of Sky Sentinel	Analysis and Identification for Decommissioning of Other Systems	Finalise integration with the Records Management System
	Preliminary Analysis for Risk and Performance Based Oversight	Preliminary Analysis for Enforcement Register integration	Preliminary Analysis for Query Synthesizer usage	(optional – new module) EAP Configuration of Accident and Incident Management
	Development of Entry Control Assessment and Surveillance Checklists for Communication and Air Traffic Control Aerodromes	Preliminary Analysis for Flight Crew Licencing Exams and Maintenance Engineer Exams integration	Preliminary Analysis of EAP Modules for Further Optimisation Utilising Case Management and Workflow functionality	(optional – new module) EAP Configuration of Competency Management
		Preliminary Analysis and Assessment for FMIS Tech1 connectivity and synchronisation	Preliminary Analysis of Staff Competencies EAP integration	Carry out Decommissioning of Other Identified Legacy Systems
			Preliminary Analysis for Accident and Incident Reporting integration	
			Preliminary Analysis for Defect Report Service connectivity	

Purpose: A high-level consolidated view of all essential delivery activities required to deliver CASA's vision to fully utilise and embed the EAP system in business functions

Key:
- Deliverable work
- Preliminary work
- Prerequisite work (BAU funded)

Appendix F   Potential future EAP Program management structure
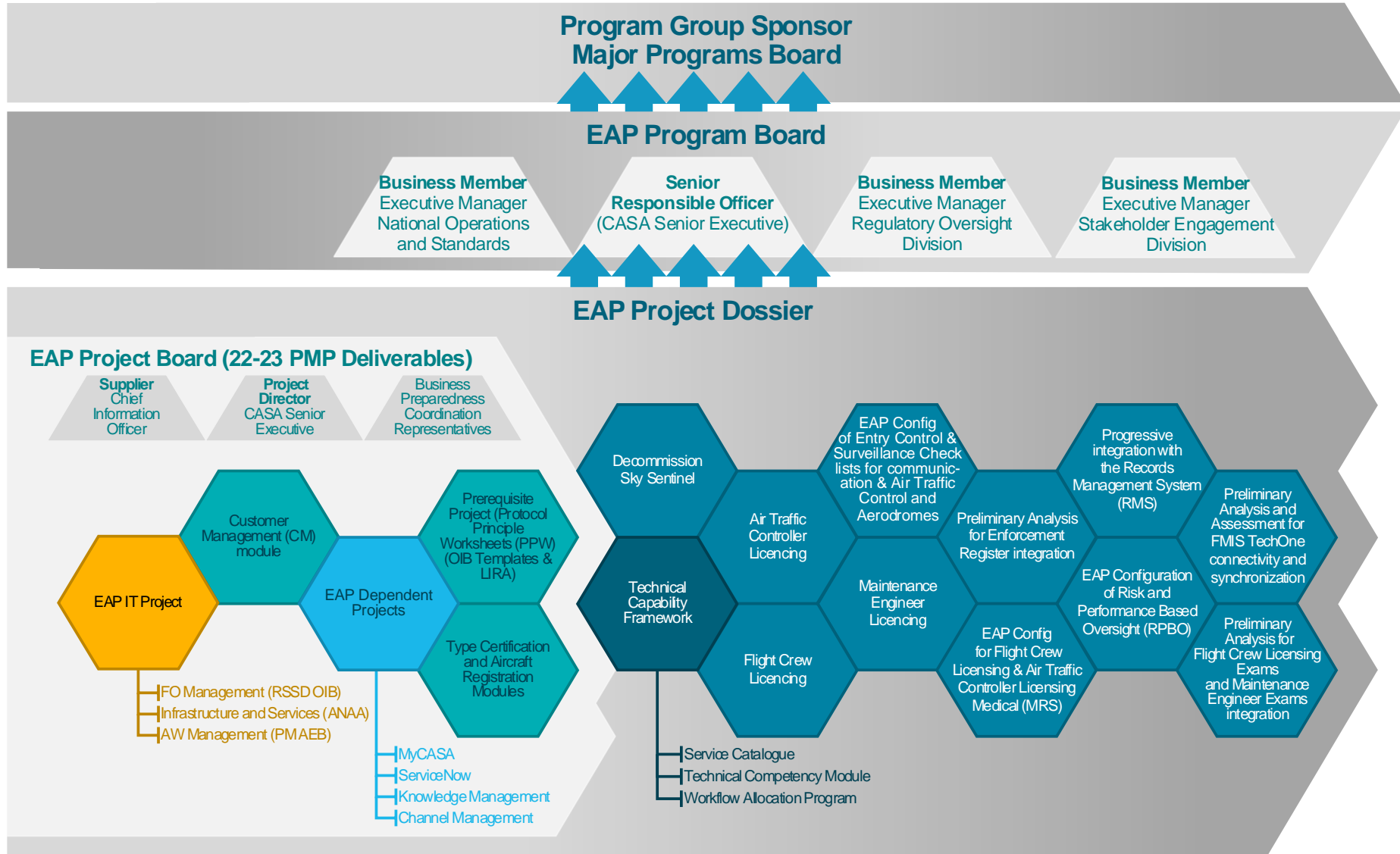
Appendix G Relationships between Outputs, Outcomes, Benefits and Strategic Objectives

Benefit	2021-22 Business Case	2022-23 Business Case	Benefits realisation document	2021-22 Project Management Plan	2022-23 Project Management Plan	EAP Five Year Strategy
1	Centralisation of data into one system improving data integrity and driving processing efficiencies to enhance decision making by applying a risk management approach to regulatory oversight to realise safety outcomes.	Centralisation of data into one system improving data integrity and driving processing efficiencies to enhance decision making by applying a risk management approach to regulatory oversight.	Increased client self service	Higher data quality and simpler ICAO reporting.	Common CASA business process for conducting national entry control and surveillance operations.	Enable CASA to be more operationally efficient and effective delivering a single source of truth for the first time across the entire aviation industry.
2	Enhanced real time reporting enabling better resourcing and workforce planning decisions.	Enhanced real time reporting.	Increased understanding of process	Ensure the quarterly reporting to ICAO is completely aligned.	Standardised CASA business process for conducting national entry control and surveillance operations across Airworthiness Management, and Flight Operations sectors.	Implementing EAP will significantly improve the data analytics capabilities of CASA. This positions CASA to potentially identify problematic patterns which could prevent safety incidents from occurring.
3	Reduction in lead times required by operational staff to access reporting data.	Information to support workforce and competency planning.	Increased visibility of application status & progress	Improved speed for identifying aircraft and responding to incidents.		Implementing EAP as it was designed will enable CASA to systematise and align checklists and workflows for the new regulatory framework into existing data models and workflows. This approach can fast track the systemisation of CASA operations.
4	Delivery of technology dependencies for ROD and Flight Operations Regulations projects.	Reduction in lead times required by operational staff to access reporting data.	Reduction in client enquiries and follow up	Standardised CASA business process for conducting national entry control and surveillance operations across Airworthiness Management, and Flight Operations sectors.		Fully utilising EAP will improve decision making, enabling a holistic view of entities. This will also result in efficiencies as less systems will have to be cross-checked to inform a decision.
5	Greater consistency in approach and regulatory outcomes.	Delivery of technology enhancements to enable digital capabilities and improve industry interaction with CASA.	Increased staff focus on high value tasks	Standardised CASA business process for conducting national entry control and surveillance operations across Infrastructure & Services sector ready for		In the event of aviation safety incident occurring CASA will be better positioned to respond immediately.

Benefit	2021-22 Business Case	2022-23 Business Case	Benefits realisation document	2021-22 Project Management Plan	2022-23 Project Management Plan	EAP Five Year Strategy
				implementation in EAP during FY22-23.		
6		Greater consistency in regulatory services.	Reduction in double handling and incomplete information	Enabling increased automation of records management and efficiencies in operations.		Integrating EAP with records management and financial systems will reduce double handing within CASA, delivering staff efficiencies.
7			Increased client satisfaction	Informs the decision-making process for future year implementation of additional capabilities that are available in EAP.		The ability to automate an increasing number of processes and workflows in EAP will deliver efficiencies to CASA.
8			Increased focus on safety	Informs the decision-making process for future year implementation of additional capabilities that are available in EAP.		Provide ongoing savings from the decommissioning of legacy end-of-life systems such as Task Trac, RAPS and Sky Sentinel.
9			Streamlined processes for clients & CASA Benefit	From the internal EAP improvements, the public will benefit from a safer, efficient and effectively regulated aviation industry reducing the risk of a safety incident occurring.		Implementing the ICAO aircraft and engine taxonomies will ensure the quarterly reporting to ICAO is aligned, requiring zero remediation by CASA staff.
10			Increased single view of client	Improvements to the quality of data that CASA can provide to ATSB can inform their accident investigations.		The decommissioning of legacy systems also improves the cyber security posture of CASA, reducing the likelihood of a breach or the compromise of data.
11			Improved reporting capability			Implementing all end-to-end data for the entry control and surveillance of entire segments will enable automation of currently manual work processes.