Independent review commissioned by Ministry of Social Development

Security Response Programme One Year Progress Review

26 April 2016

EY
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Contents

Release notice

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[1] This is a factual findings review and not a review in accordance with External Reporting Board Standard RS-1, which relates to reviews of historical financial statements.

Part 1 – Executive summary

1.1 Background

Following the tragic deaths of two Ministry staff members at the Ashburton Work and Income Office on 1 September 2014, the Ministry's Chief Executive commissioned an independent review of the physical security environment (the Review). A Phase One report from the Review was publicly released on 26 September 2014 and a Phase Two report was released on 10 February 2015.

In response to the Ashburton tragedy, the Ministry set up the Security Response Programme (the Programme) to respond to the Recommendations and implement any changes as a result of the Review, and other formal review processes, such as the WorkSafe investigation.

The Programme forms a single point of coordination and management of the response to the Review and inquiries following the Ashburton tragedy. The primary aim is to consider and implement changes based on the recommendations from the Review (the Review Recommendations), and from the WorkSafe investigation and coroner's inquest. The Programme is responsible for developing and implementing any relevant business processes and solutions (with business unit input) before handing back to the relevant business units to manage going forward.

In February 2015 the Chief Executive of the Ministry made a public commitment to the Programme delivering on all of the Review Recommendations within two years, i.e. by February 2017.

The Chief Executive has requested this independent review be conducted to determine whether the Programme is on track to deliver in full on the Review Recommendations by February 2017.

1.2 Scope of this independent review

The scope of this independent review (the EY Review) was to provide the Chief Executive with an independent report considering whether the:

a) nature of the activities already completed and planned will be sufficient to meet the intent of the recommendations; and
b) progress made to date, together with the forward programme, are sufficient to meet the two year timeframe that the Chief Executive committed to.

The work involved review of Programme documentation, observations and conducting interviews with the Programme team, Operational Leadership Group (OLG), Security Response Programme Board and Ministry of Social Development Leadership Team (LT) members.

1.3 Restrictions and limitations

We draw attention to the limitations inherent in this Report.

a) Within the context of this specific engagement we were not required to, and did not undertake an audit in accordance with International Standards of Auditing ("ISA (NZ)"). Consequently, no assurance has been expressed.
b) The EY Review covered the period 1 February 2015 to 23 February 2016 (the Period). Any events or transactions that occurred outside the Period, to the extent that they are referred to in this Report, have been included for information purposes only.
c) The scope of our work was limited to a review of documentation and information made available to us and specific enquiries undertaken to pursue our mandate. As we were not engaged to perform an audit, we have not verified the authenticity or validity of the documentation made available to us. Unless expressly stated, we have not sought to verify whether all information provided to us verbally is credible or truthful. Interviews have not been conducted under oath.

1.4 Summary of findings and observations

This report has been presented in two parts. Part one summarises the outcomes of our independent review. Part two outlines our detailed recommendations to assist the Ministry in the continued development and completion of the Security Response Programme.

The following provides a summary of our findings and observations.

Do the nature of activities planned and delivered meet the intent of recommendations?

Overall, as at date of this report, we consider the nature of the activities planned and delivered will meet the intent of the Independent Review recommendations.

Confirmation of risk appetite and tolerance (Recommendation One[2]):

a) As at the date of our findings, we consider that the current work around the confirmation of the Ministry's risk appetite and tolerance, together with the forward programme of work regarding the operating model, will achieve the intent of this Recommendation.

b) The Ministry as part of this Programme undertook an exercise of developing and articulating the Ministry's health, safety and security risk tolerance. Following this, the Ministry confirmed its risk appetite and tolerance for use in a business as usual environment going forward. The Programme has made excellent progress in getting team members to think about and talk about risk tolerance. We especially note the clear change in Service Delivery thinking from one of being a largely de-sensitised workforce who accepted unacceptable behaviour as the normal state to a team who have an increased awareness of what is not acceptable. Consistent understanding across Service Delivery as to how to respond to different behaviours is still developing.

Development of Health, Safety and Security Operating Model (Recommendations One and Two):

c) The Programme has currently completed work around the high level operating model design and the detailed design is progressing.

d) This is a critical piece of work that sets the direction, structure and capability of the Health, Safety and Security (HSS) team to be fit for purpose for a significantly changed environment. This future state design needs to be concluded as soon as possible. The implementation must follow quickly as there are a number of Programme activities that must be transitioned from the Programme to a business as usual state. This will require the right roles and capability to be in place.

e) While there is still a significant amount of work to be done in designing and implementing the operating model (which has a number of co-dependencies with the Protective Security Requirements which must also be implemented), in our view the forward programme of work, combined with the work already completed, will achieve the intent of this Recommendation.

Health and Safety at Work Act (HSWA) compliance work (Recommendation Three):

f) We note that the HSWA implementation work is being governed by the Programme but is being run separately from the Programme. Accordingly, we have not commented in detail on this work. The impact assessment contemplated by the Recommendations has been delivered.

g) We do note, however, that the Programme has some Projects (particularly the Health and Safety at Work Act Project governed by the Programme and aspects of the Health, Safety and Security Incident Reporting work) that require deliverables and outcomes to be in place by 4 April 2016 to meet the requirements of the HSWA. These projects have had capability and capacity challenges. The Programme must prioritise the completion of these required tasks.

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[2] Reference to Recommendations is a direct reference to the recommendations made in the Independent Reviews completed following the Ashburton tragedy.

Integrating health safety and security into current change initiatives (Recommendation Four):

h) The Programme has incorporated a number of elements that have integrated with other Ministry change initiatives, such as the Simplification programme.

i) At the point of this Report, we consider that the work to date, when combined with the planned work will meet the intent of this Recommendation. We note, however, that this Recommendation is forward looking, which focusses on transitioning the integration of safety and security threats into "the way we do business" and, as such, should be a process of ongoing improvement.

Providing Services that May Raise Tension in Non-Face-to-Face Ways (Recommendation Five):

j) A number of initiatives are already in place within the Ministry for the provision of services through alternative means, such as the Remote Control Unit (RCU), the Advocacy Services and Simplification. At the point of this Report, we consider that the work to date, when combined with the planned work (particularly in respect of the Client Behavioural Assessment Framework Project) will meet the intent of this Recommendation. We note, however, that this Recommendation should be subject to ongoing review as technology evolves.

Review of safety and security policies (Recommendation Six):

k) At the point of this Report, we consider that the work to date, when combined with the planned work, will meet the intent of this Recommendation. In an organisation as large and diverse as the Ministry, providing policies and processes that are useful for all staff as well as providing clear compliance standards will be an ongoing challenge.

l) Policies in a number of operational areas have been reviewed and standardised, including standardised site risk ratings, trespass, the Remote Client Unit, information reporting and client risk analysis. Policy work is on-going in a number of areas.

m) A critical aspect of this review will involve fostering a culture where policies are applied on a consistent basis across the Ministry (where this meets operational needs). This will have design, implementation and review/monitoring components. The manager training programme that is currently being implemented will be central to this.

Development of Training Programme (Recommendation Seven):

n) This has been an area where the work to date has exceeded the Recommendations. A comprehensive training programme has been implemented by the Programme, including situational awareness training, Ministry-wide web-based security training, practice drills providing practical experience of a security situation and additional role-based training. A manager training programme is currently being implemented. The training programme has been integral to promoting the Programme's brand and increasing visability within the Ministry and in effecting move (from a cultural perspective) to a more risk adverse environment.

o) The key moving forward will be the transfer of this training programme to business as usual and equipping the Ministry's Learning, Capability and Development function to roll the training programme out consistently across the Ministry on an ongoing basis. Data capture will also be an ongoing issue and will be contingent in part on potential changes to the Ministry's IT infrastructure.

Consistent site standards (Recommendations Eight and Eleven):

p) The Programme's work in this regard has gone beyond the intent of the Recommendations. In addition to conducting a comprehensive site questionnaire and up-grade project combined with the development of a standard site risk matrix, the Programme has looked at a design based solution to on-site security risk.

q) The development of two trial Service Delivery sites where new fit out has been designed to pick up on the Protective Security Requirements and introduce zoning amongst other security features has been well received and the sites are operating well. They represent a step change in how clients interact with Service Delivery team members while maintaining and/or increasing the level of service provided based on MSD evaluations.

r) There is wide acknowledgement amongst those we interviewed that the future state Service Delivery fit out needs to be (as well as the assumptions it will be) the new format and must be rolled out to the Service Delivery footprint. The way forward on funding (and the specifics of any rollout) needs to be agreed.

<u>Reporting and analysis of incidents and risk information (Recommendation Nine):</u>

s) Since the Ashburton tragedy, incident reporting within the Ministry (including of near misses) has improved.

t) Significant work has been done around categorising and getting a better understanding of the risk and incident information that is collected by the Ministry. Work has also been done to standardise risk definitions, amend business processes and develop a framework for proactive risk and incident reporting.

u) The key issue in terms of optimising the analysis and use of the Ministry's incident and risk information lies with its reporting tool, SOSHI. Further work needs to be done to improve or replace SOSHI in the medium term. The Recommendations acknowledge that the reporting tool work may not be completed until later in 2017.

<u>Review of security guards (Recommendation Ten):</u>

v) The role of security guards has been assessed in developing standardised risk models for the Ministry's premises, which has met the intent of the Recommendations in part. However, decisions around the future state of the security guard model and the forward structure need to be expedited.

<u>Promotion of a more risk – aware culture (Recommendation Twelve):</u>

w) At the point of this Report, we consider that the intent of this Recommendation has been met. The future Programme work will continue to build on this. Cultural change specifically related to how the Ministry thinks and breathes health, safety and security has been successfully affected by the actions of the Programme and the changes in governance structures. We note positive cultural change, particularly in Service Delivery. A structure that has been particularly effective is the use of a manager reference group (comprising a number of frontline managers from around the country) to discuss and make recommendations on the Programme's work and Projects. These managers have also, indirectly, acted as Programme champions, raising awareness and visibility around the Programme and its objectives. Other initiatives have included: a brochure and poster campaign, a National Day of Conversations, pulse checks and the various training initiatives that have been rolled out throughout the Ministry.

x) Further cultural change is required, but we do acknowledge the positive change made in the first year of the Programme.

y) The impact of the Chief Executive and his clear prioritisation of the Programme and the outcomes required have also been far reaching across the Ministry, although there continues to be some variability in how the LT is seen by staff to be leading the achievement of the necessary outcomes based on our interviews.

Is progress sufficient to meet the two year time frame?

a) Subject to our comments below, we consider that the progress made by the Programme to date, together with the forward plan of work will be sufficient to meet the two year time frame.

General Observations

<u>Programme management and governance</u>

b) Programme management exists to co-ordinate, monitor, guide, resource and prioritise the various projects that operate under the programme structure. Programme management is very focused and effective and has driven the right capability, capacity and cadence required of what is a very complex and large programme. Project management has been well supported by the programme.

c) Programmme governance exists at multiple levels. Each layer of governance has played an important role in guiding, informing and contributing to the various project outcomes required. A good range of skill, experience and business representation is present on the various governance forms. Key decisions have been made when required and made by the right people.

d) Prioritisation of different projects and activities within the projects has been well executed.

<u>Programme brand and momentum</u>

e) The Programme has gone beyond addressing the intent of the Independent Review recommendations in many cases. The Programme has chosen to deliver the implementation of the Recommendations where applicable. We concur with the Ministry's view that implementation of much of the initial work required by the Recommendations was a priority and that using the Programme structures and governance to manage and monitor delivery was the right choice.

f) The Programme has a very positive brand across the Ministry. This has been consistently demonstrated at varying layers of the organisation.

g) The Programme works in a collaborative way that understands the interdependencies between the different Projects that make up the Programme and also works with other Ministry initiatives – for example the Simplification programme.

h) The Ministry team working on the Programme are extremely committed and want to make a difference. The thinking has gone beyond the Recommendations and is focused on making a step change to how people think and act in relation to health, safety and security. The Programme has been very successful at implementing change across the Ministry while still designing and delivering on Programme outcomes and deliverables. This parallel strategy has been very effective.

Complex working environment

i) There are a number of different working environments across the Ministry's different service lines. The Programme has recognised and understood the complexity of the day to day working environments and all have been considered when determining the actions required to meet the intent of the Recommendations.

j) The Ministry must continue to balance the Minister's priorities and in turn reconcile these priorities with its obligations (and the prioritisation required) under the HSWA within budgetary constraints.

Resourcing and benchmarking

k) Resourcing (both capacity and specific capability) for the Programme from 1 July 2016 has not yet been confirmed. For current Programme pace and momentum to continue, continuity in the various work streams is necessary. Resourcing should be secured as soon as practically possible and, where appropriate, steps taken to ensure appropriate handover between the various Programme resources.

l) The Programme has leveraged external benchmarking as a key input into design and thinking of many of the initiatives that have been delivered and/or are in progress. A mixture of New Zealand and overseas based benchmarking has been performed effectively.