

**Report 5 of 2024**

Education Management System project





# **Report of the Auditor-General**

## **Report 5 of 2024**

### **Education Management System project**

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*The Auditor-General's Department acknowledges and respects  
Aboriginal people as the State's first people and nations, and  
recognises Aboriginal people as traditional owners and occupants of  
South Australian land and waters.*



**Auditor-General's  
Department**

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18 March 2024

President  
Legislative Council  
Parliament House  
ADELAIDE SA 5000

Speaker  
House of Assembly  
Parliament House  
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Dear President and Speaker

**Report of the Auditor-General:  
Report 5 of 2024 *Education Management System project***

As required by the *Public Finance and Audit Act 1987*, I present this report to each of you.

**Content of the report**

Our objective was to review the Education Management System (EMS) project to determine whether it is on time, on budget and being rolled out to schools with the required functionality.

The EMS project is expected to be completed three years later than originally planned and the project budget has increased by \$47 million. At the time of reporting, the Department for Education was preparing a further internal funding request. While most of the core system functionality is being delivered to schools, extra time has been needed to customise EMS to meet requirements that were not originally specified. The Department for Education did not specify the mandatory modules that schools must implement, and this also had a major impact on the project not meeting planned time frames.

Project delays and budget overruns have occurred due to a range of issues. This includes COVID-19, although its budget impact has not been quantified. Weaknesses in project governance have also contributed. Project governance controls should be agreed with key stakeholders, properly documented and maintained as the project progresses. Project forecasts should also be continually reviewed and revised as needed. Specifying the mandatory EMS modules that remaining sites must implement will also help to minimise any further budget overruns.

## **Acknowledgements**

The audit team for this report was Andrew Corrigan, Tyson Hancock, Abhinav Tomar and Timothy Buck.

We appreciate the cooperation and assistance given to us by the Department for Education.

Yours sincerely



Andrew Blaskett  
**Auditor-General**

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# Audit snapshot

## What we reviewed and why

Since 2018-19 the Department for Education has been rolling out a new Education Management System (EMS). The aim is to capture all student information in a single record, standardise business processes and replace legacy systems.

We have been following the EMS project since it started, and have raised concerns in the past about completing it on time. This year we again reviewed the EMS project to determine whether it is on time, on budget and being rolled out to sites (schools and preschools) with the required functionality.

## What we found

The EMS project is expected to be completed three years later than originally planned and the project budget has increased by \$47 million. At the time of reporting, the Department for Education was preparing a request for further internal funding. While most of the core system functionality is being delivered to sites, extra time has been needed to customise EMS to meet requirements that were not originally specified. The Department for Education did not specify the mandatory modules that sites must implement, and this also had a major impact on the project not meeting planned time frames.

Project delays and budget overruns have occurred due to a range of issues. This includes COVID-19, although its budget impact has not been quantified. Weaknesses in project governance have been a contributing factor. Project governance controls should be agreed with key stakeholders, properly documented and maintained as the project progresses. Project forecasts should also be continually reviewed and revised as needed. Specifying the mandatory EMS modules that remaining sites must implement will also help to minimise any further budget overruns.

## Key facts





# 1 Executive summary

## 1.1 Introduction

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The Department for Education (DfE) delivers education, safety and development outcomes for South Australian children and students.

Since 2018-19, DfE has been rolling out a new Education Management System (EMS) to standardise business processes in sites (schools and preschools). EMS will replace legacy curriculum, finance and administration systems that no longer meet site needs, have limited and restrictive functionality and require sites to use workarounds to align with modern management processes.

The original budget for the EMS project was \$130 million. It was reduced to \$122 million after a DfE budget review. When the project started, the rollout was expected to be completed by June 2022. Subsequent budget increases have now raised the total budget to \$169 million, and implementation is not expected to be completed until the end of 2025-26. This is due to a range of issues discussed in this report, including COVID-19.

We have been following the progress of the EMS project since it started, and we have previously raised concerns about meeting project time frames. This year we again reviewed the project to see if it is on time, on budget and being rolled out with the required functionality. This included surveying the sites where EMS has been rolled out about their implementation and system experiences.

## 1.2 Conclusion

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The EMS project is expected to be delayed by three years and the budget for it has increased to \$169 million, \$47 million over the original budget.<sup>1</sup> While most of the core system functionality is being delivered to sites, extra time has been needed to customise EMS to meet requirements that were not originally specified. DfE did not specify the mandatory modules that sites must implement, and this also had a major impact on the project not meeting planned time frames.

A range of issues have contributed to the delays and budget overruns. This includes COVID-19, although its budget impact has not been quantified. Weaknesses in project governance have been a contributing factor. The project operated for long periods without key project management controls, or without them being regularly updated, such as:

- project control documentation like EMS Project Board terms of reference, a risk management strategy, a vendor management plan, budget forecasts to complete all project activities, site rollout schedules, implementation and site communication plans and benefits realisation plans

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<sup>1</sup> At the time of reporting, DfE had advised us that it was developing a request for further internal funding to extend the project to the end of 2025-26.

- regular reporting to the project board on project milestones, issues and defects
- independent validation of the need for an additional budget allocation
- timely remediation of issues and recommendations raised by DfE internal project reviews
- post-implementation reviews following key project milestones.

We have raised some of these issues previously.

We acknowledge the challenges the EMS project team and sites face with such a large rollout impacting multiple business processes.

### 1.3 What we recommend

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Project governance controls should be agreed with key stakeholders, properly documented and maintained as the project progresses. Specifying the mandatory EMS modules that remaining sites must implement will also help to minimise any further budget overruns. DfE will need to continually review its forecasts of the work required to complete the rollout to all sites, and revise them if needed.

DfE should use the feedback we received from sites where EMS has been implemented to improve user satisfaction with the implementation process and the system's operational effectiveness.

### 1.4 Agency response

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DfE responded positively to our review, including our findings and recommendations, and provided details of its proposed actions. An extract from DfE's response to our review is provided in Appendix 1.

## 2 Review objective, scope and approach

The objective of our review was to determine whether the EMS project is on time, on budget and being rolled out with the required functionality.

We asked DfE for details about the EMS project's current implementation status, including the budget and expenditure to date, expected benefits and key challenges impacting the project.

As this was a high-level review, we relied on the information that DfE provided to us. We obtained some key supporting evidence to validate these responses, surveyed sites that had implemented EMS and reconciled the financial data migrated at two sample sites. We did not perform detailed control testing or evaluate system usability.

## 3 Background

### 3.1 Project time frame

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EMS was originally expected to be fully rolled out to around 900 sites by the end of 2021-22.<sup>2</sup> This covers all of DfE's preschools, children's centres, primary schools, secondary schools, area schools (combined primary and secondary), special needs schools and aboriginal schools.

A pilot phase to test 'out of the box' functionality at a sample of 10 sites commenced in early 2019 and continued throughout that year. The rollout was planned to commence in April 2020 (term 2), starting with standard administration functionality at preschools. It was then deferred until July 2020 (term 3), partly due to onset of COVID-19.

During the rollout there have been various challenges and delays. Resources also had to be reallocated to focus on several unplanned software updates to improve system functionality, user workflows and resolve priority issues.

At the end of 2023, DfE advised us that it had rolled EMS out to 454 sites (314 preschools and 140 schools), which was only 51% of total sites. Only schools and 30 preschools had received the financial management module. The EMS project implementation time frame has now been extended until the end of 2025-26.

### 3.2 Benefits of EMS

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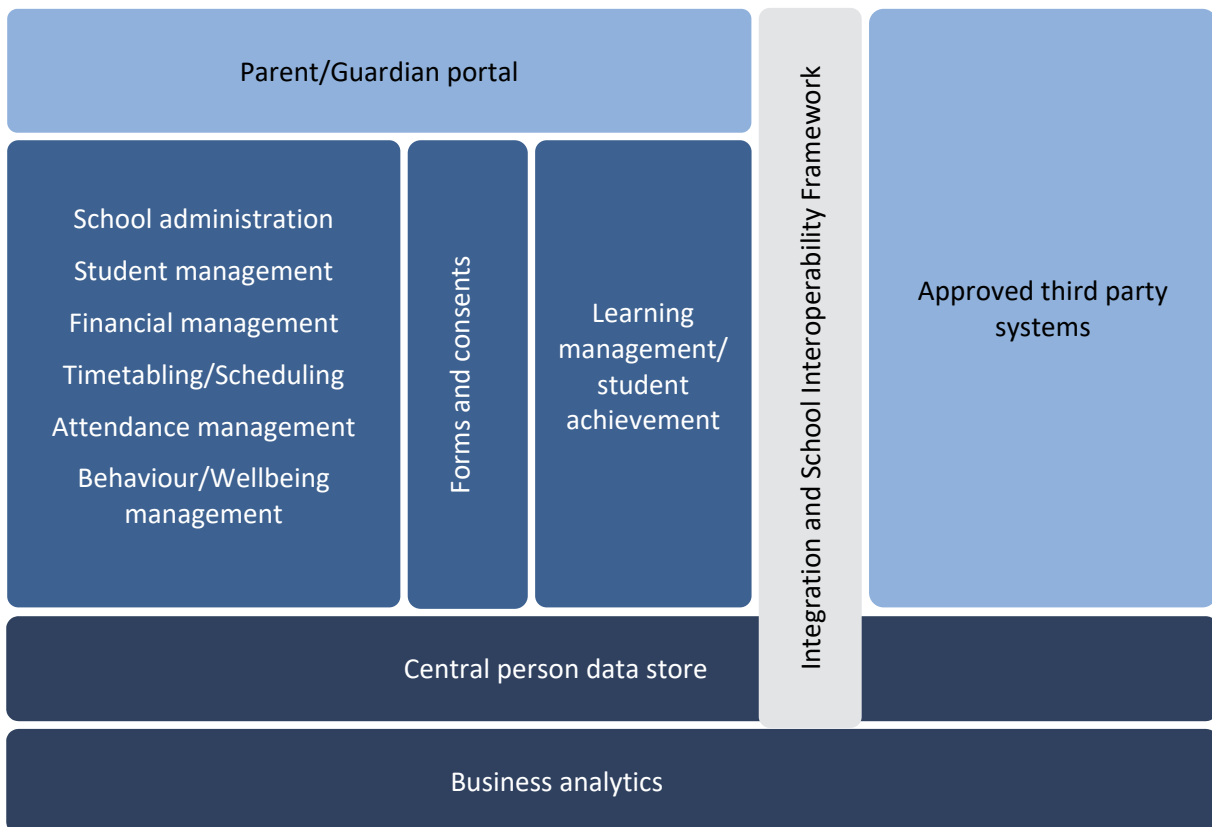
EMS is intended to capture all relevant information about a student's journey through the public education system in a single record, with tools to communicate and measure their educational progress.

EMS is also expected to standardise the different business processes operating throughout the public school system. To do this, the implementation requires most existing site business processes to be altered to meet EMS requirements. The use of EMS functionality will depend on the type of site and its needs.

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<sup>2</sup> As approved by the SA Government in 2018.

Figure 3.1: EMS modules



DfE advised us that the key system benefits include:

- the ability to decommission legacy systems and on-premise technology
- replacing paper-based processes with a digital records management solution that streamlines record keeping and reduces duplication
- access to real-time administrative and finance data
- digitised curriculum resourcing through the Learning Management System (LMS)
- a customisable LMS intranet that allows sites to consolidate the system experience for staff, students and parents
- improved controls for data quality by introducing mandatory fields and data rules
- streamlining digital communications and consent management processes for parents or caregivers
- the rollout to Anangu sites (APY lands) which enables a significant uplift in their management of students and school operations.

### 3.3 Our previous EMS project reviews

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We reviewed the EMS project first in 2018-19 and then in a follow-up review in 2020-21. On both occasions we raised concerns about the difficulty in meeting estimated project time frames.

Our 2020-21 review highlighted the following challenges:

- outstanding functional and non-functional system requirements
- the integration of legacy site systems and data
- COVID-19 impacts
- sites' data quality and migration
- delayed vendor software releases
- site feedback expressing some concerns, mostly related to how training would be conducted, support during transition and data migration from the old Education Department School Administration System (EDSAS)/Early Years System (EYS).

We also identified important project management controls that were missing or needed to improve:

- no formal process to migrate preschools' and schools' sensitive data
- no plans to do end-to-end testing of the financial management module before rolling it out to sites
- no formal process to consider the appropriate speed of the rollout
- a benefits realisation plan that needed updating
- an implementation strategy that was in draft and not being updated.

Our 2023-24 review found that some of these control issues were still outstanding. DfE advised us that it had developed plans to address some of them after a 2023 internal audit (see Chapter 6).

## 3.4 2023 internal audit findings

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Throughout the implementation, DfE has conducted a number internal reviews, such as assessments of the Finance module in August 2022 and March 2023.

A 2023 internal audit covered the entire EMS project including its implementation, product delivery and business-as-usual transition. Although the audit highlighted several project strengths, it also noted the following shortfalls:

- the EMS project team was not able to clearly define the intended outcomes and benefits of the EMS implementation
- the rollout model did not match the pace and scale of the deployment
- the project's governance structure provided limited support to the project team
- ineffective project and change management structure
- risks and dependencies not being sufficiently or consistently managed
- vendor management deficiencies and a high volume of system changes
- weaknesses in financial management and reporting practices.



The audit also provided some root cause considerations for these challenges, including:

- not being ready for full production rollout
- project team turnover and poor handover
- ineffective executive engagement and governance
- inconsistent program practices and assurance
- unclear objectives and scope
- the absence of benefits measurement and management.

We raised some of these challenges and issues in our prior reviews (see section 3.3). In this current review, we followed up the EMS project team's plans to address them, and raised an issue about some of the outstanding activities (see Chapter 6).

While DfE has not implemented a Project Management Office<sup>3</sup> for ongoing assurance over the EMS project, it has now engaged external assurance services. DfE advised us that it will review this arrangement at the end of 2024 to check that it is working well.

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<sup>3</sup> A Project Management Office can be used to provide internal assurance over project quality management.

## 4 Current project activities

The EMS project team is continuing to roll EMS out to sites.

DfE is continuing to engage with sites and schedule EMS rollouts, including re-engaging with sites using EMS that had not received certain core functionality such as the parent/guardian portal and the Finance module. The EMS project team is supporting sites and facilitating change awareness and readiness sessions.

The EMS project team is working with the system vendor to address outstanding defects and test the next system functional releases.

The EMS project team is also continuing to address the outcomes from the 2023 internal audit discussed in section 3.4. The EMS implementation strategy, originally developed before the onset of COVID-19, is being reviewed. This includes refining the functional scope for schools and preschools, and defining which modules DfE will mandate for sites, and which will be optional (see section 7.1).

## 5 Project budget and expenditure

The initial EMS project budget was \$130 million. This was later reduced to \$122 million.<sup>4</sup> It included the 10-year vendor contract to December 2028 with Civica Pty Ltd (the vendor) for system implementation and support services of \$76.44 million. It also included \$5 million for change requests. DfE has purchased the right to use the EMS software for 10 years, with a 10-year right of renewal. The balance of the budget covers procurement, internal implementation costs and future enhancements.

The initial budget assumed a reduction of EMS project resources and spending by January 2022 as the project neared completion. The risk that the project would not be completed within the allocated budget and estimated time frame was only raised by the EMS Project Board in October 2021.

DfE advised us that between 2018 and 2022 the EMS project team needed to accommodate COVID-19 and other impacts, which meant assumptions in the original budget had changed. We noted that DfE had not costed the actual impacts of COVID-19.

DfE has provided several additional funding allocations to the EMS project. An allocation of \$3.5 million was made in 2021-22 to support the Finance module implementation. \$15.8 million was then allocated in November 2022 to implement key system changes and extend the project implementation time frames up until 2024-25. Our review of this funding approval noted that the estimates were developed by the EMS project team and were not independently validated by DfE's finance team (see Chapter 6).

In July 2023, DfE reported that the EMS project budget was overspent in 2022-23. A further \$11.5 million was allocated to address cost pressures, which mainly related to specialist labour services and system vendor costs incurred in that year.

Budget increases from the original approved budget of \$122 million now total \$47.3 million.

In addition to DfE's advice of the slowdown in progress due to COVID-19, we noted other factors impacting the project budget and rollout time frames, including:

- not mandating the EMS rollout to sites and the extent of scope changes
- enhancements required for a better system control environment
- significant underestimation of the extent of effort required to migrate sites
- critical issues identified with the Finance module.

The initial assumption that most site business processes would be altered to meet the 'out of the box' EMS requirements has not eventuated, resulting in higher project costs. Significant costs were incurred to address business process issues identified after the original system testing, site system change requests and other policy and regulatory requirements.

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<sup>4</sup> \$130 million was previously reported (Auditor-General's Report 9 of 2019 *Information and communication technology reviews*, p 41). The reduction of the original amount was due to a subsequent DfE review of the project finances and reallocation of project funds.

Around 70% of the revised EMS project budget has been used in rolling out EMS to about half of the total number of sites.

**Figure 5.1: Project budget and expenditure as at the end of September 2023<sup>5</sup>**

	Approved budget June 2023 \$million	Overall project expenditure to date \$million	Remaining budget \$million
Project delivery and implementation	68.0	55.9	12.1
Vendor costs and change requests	98.1	62.4	35.7
Finance module migration	3.5	1.2	2.3
<b>Total</b>	<b>169.6</b>	<b>119.5</b>	<b>50.1</b>

DfE advised us that in March 2023, a review by an external consultant was completed and detailed the EMS project spend to date. After receiving this report, a full reconciliation of expenditure across the remaining years of the project was conducted, including reforecasting the proposed expenditure for the first 10 years of the contract with the vendor.

Following these reviews, DfE’s Finance team took the lead role in managing the EMS project finances (although project ownership remains with the ICT division) as a part of managing DfE’s overall budget and expenditure.

In August 2023, we were unable to obtain detailed tracking of the EMS project budget, actuals and forecast. At that time, current budget and actuals were being reported to the EMS Project Board, but the EMS project team was still in the process of adjusting the full project forecast. The forecast was dependent on the scope and mandatory functions being agreed by DfE stakeholders.

At the time of reporting, DfE advised us that the budget forecast had been updated and a request for further internal funding was being developed to extend the project to the end of 2025-26.

It is important that budget and expenditure details are maintained and updated on an ongoing basis as project activities progress. We consider it to be a lack of internal control to have no detailed, up-to-date budget forecast information for an extended period (see Chapter 6).

<sup>5</sup> These figures were provided by DfE and are unaudited.

## 6 Summary of the control issues we found

While our review did not involve performing detailed control testing of EMS or the EMS project, our work did identify the following control issues for management attention:

- weaknesses in project reporting such as, date driven measures of project milestones and deliverables and extent of outstanding system defects are not reported to the project board
- lack of independent validation of additional budget allocation
- lack of timely finalisation of agreed actions from Internal Audit
- project control documentation not agreed and finalised for an extended period. For example, project governance terms of reference, project risk management strategy, vendor management plan, budget forecast to complete all project activities, site rollout schedule, implementation and site communication plans and the benefit realisation plans
- no project post-implementation reviews following key milestones.

## 7 Current project challenges

From mid-2022, the EMS project team began to put more focus on risk management, and particularly the risks related to transition and contingency planning. This was to control the rollout pace in line with DfE's risk appetite and other disruptions that had the potential to impact the rollout.

Despite making progress on site implementations, we found that the EMS project continues to face challenges, which is discussed further below.

### 7.1 Implementation scope and site requirements need to be agreed for the remaining rollout

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We found that DfE had not identified which EMS functions were mandatory for all sites, and which were not core functions and would therefore be optional. DfE advised us that it has been challenging and time consuming negotiating with sites to migrate off some of their legacy systems.

Larger sites have different operating models, and the EMS project team is spending considerable effort customising EMS to meet specific site requirements. Sites are generally seeking to maintain the workflows and processes they use in their existing systems rather than adapting to EMS workflows. EMS is not flexible enough to support each unique site customisation and it creates additional ongoing work for the project team.

In addition, the EMS project team does not have a documented change management framework and clear site communication strategy to help sites transition from their legacy system to EMS and determine all agreed workflows, roles and responsibilities before site migration activities commence. DfE advised us that this is being developed in response to the 2023 internal audit (see section 3.4).

The EMS project team advised the EMS Project Board early in 2023 that if EMS was not mandated some sites would choose to keep their third-party software. We note that an urgent action was raised by the EMS Project Board in March 2023 to develop a departmental approach to the minimum functional scope at sites. This included specifying which functions were to be rolled out to sites. Site customisations are intended to be supported under an approved framework, such as integration with approved third-party software. DfE advised us that updating the site implementation strategy had only commenced in August 2023.

We believe that this lack of clear governance over the EMS implementation mandate and site requirements has been a key challenge impacting the progress of the EMS rollout. It is important that DfE clearly communicates its requirements and expectations to sites for the rest of the rollout.

## 7.2 Active project governance is needed

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At the time of our review, the EMS Project Board had 14 members. There was representation from various DfE business units, a DfE Audit and Risk observer and an external representative from another SA Government agency. The Board meets monthly to receive updates on project status, key current activities, and financial arrangements.

The 2023 internal audit noted that EMS Project Board meetings were informative rather than decision-making. There was not enough focus on scrutinising key aspects of the project, such as realising EMS project benefits, the project budget, and emerging issues and risks.

DfE's response at the time indicated that the EMS Project Board structure and terms of reference would be updated to enable the Board to better monitor performance and risk and make decisions.

We requested the current version of the terms of reference as part of our review, but it had not been developed. Having a strong project board structure and clear objectives is fundamental to it being able to properly oversee and monitor project operations. Updated terms of reference will ensure the Board's effective functioning throughout the project's lifecycle.

## 7.3 A consistent risk management approach is needed

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As noted in section 3.3, we have previously reviewed the EMS project and reported the outcomes and our recommendations to DfE. In particular, we raised concerns about the timeliness of reviewing and updating project risks.

The 2023 internal audit also noted that some of the risks the EMS project team had identified were not in the project risk register.

DfE advised us that it intends to establish new risk management practices under the guidance of DfE's Audit and Risk Assurance team. Given the status of the project budget and time frame against DfE's original expectations, risk management is an ongoing challenge that requires a consistent, proactive and transparent approach.

## 7.4 System defects need ongoing monitoring

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The EMS project team has implemented several system upgrades and patches to address defects identified at sites and to add new functions. Despite this, defects continue to be identified at live sites.

As of August 2023, there were 448 open defects, with one rated critical, 90 rated high and 257 rated medium. DfE advised us that a recent increase in the number of new defects reflected issues raised by larger, more complex metropolitan high schools.

Some new system functions have been delayed while the EMS project team focused on resolving priority system defects.

We found that the extent of outstanding system defects and their priority levels was not being regularly presented to the EMS Project Board for consideration and decision-making purposes. Given the impact that system defects have had on the overall project timeline, it is important that the EMS Project Board is kept informed of the extent of outstanding system defects (see Chapter 6).

## 7.5 Outstanding business requirements and the need for ongoing vendor management

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DfE initially identified 1,474 functional business requirements and 179 non-functional requirements. EMS met most of these requirements, but some were not met or were only partially met. As such, alternative workflows would be required. DfE did not risk assess the full list of requirements.

The EMS project team advised us that many of these original requirements might not align with current needs. It is important that the EMS project team reviews all requirements to determine if they are still valid or have changed as the project has progressed.

In addition to new requirements identified by live sites, there are some in-scope functions that the system vendor is changing to meet DfE requirements. DfE advised us that it is having frequent vendor discussions and a full review of the remaining scope is underway.

We found that the vendor management plan was not updated to address the project's evolving delivery risks for several months. At the time of our review, the vendor management plan was being updated following the February 2023 internal audit.

We consider it important for the EMS project team to ensure that outstanding required functions are delivered in a timely way, appropriately tested and implemented at sites.

## 7.6 There are ongoing Finance module issues that need operational support

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The EMS project team did not start to roll out the Finance module to sites until August 2021, about a year after site administration functions started rolling out.

Following this, several workflow issues emerged. Although DfE advised us that key finance workflows were tested during the pilot stage, additional changes to the way the module operates were requested, which were not part of the original requirements. Some of these new requirements were due to DfE's separate finance transformation project, which commenced after the EMS Project.



DfE advised us that some of the requested Finance module changes were addressed in a version upgrade. This includes automating monthly journals, locking down segments of the chart of accounts, developing and updating mandated and management reports and configuring online approval processes. There are other outstanding change requests to further improve finance processes, such as improving online delegations so that Principals can sub-delegate the authority to sign off invoices.

In addition, significant user access control issues were identified after go-live at sites. DfE advised us that these issues have since been resolved. In our opinion these fundamental system controls should have been identified during the system testing phase.

DfE advised us that the Finance module issues and change requests will be an ongoing challenge, although it does not expect this to further impact the rollout schedule.

There is limited financial capability at preschools, and DfE is piloting a centralised finance model for them. By the end of 2023, DfE was centrally processing the financial transactions for 30 preschools. DfE intends to roll out this centralised model to the remaining preschools, commencing in 2024.

## 7.7 System integrations and manual workarounds need to be addressed

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The February 2023 internal audit noted that some EMS modules, such as LMS, are not integrated. As a result, sites need to implement workarounds, with some manual, repetitive tasks being conducted.

We followed this up with DfE who advised us that most integration requirements were not originally identified and have been requested by sites during the rollout. Some system changes have been made to reduce the extent of site workarounds.

In addition, each site has existing legacy systems. Sites may seek to maintain aspects of these systems or migrate the data from them into EMS modules. There are other key information sources that are not in scope for EMS integration, including Vocational Education and Training (VET) and the National Assessment Program – Literacy and Numeracy (NAPLAN).

In our 2021 review we raised concerns with DfE about how these integration challenges might impact its ability to make informed department-wide decisions.

DfE is now establishing a separate project and a third-party application strategy to address these integration challenges. Timely information flows between key DfE systems and ensuring that sites have addressed their third-party application concerns, including existing contractual arrangements and the appropriate maintenance of site records, should be of key importance to sites and DfE.

## 7.8 There are issues with EMS functionality at high schools

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When the rollout to high schools started in term 1 2023, issues were identified with some modules, most notably timetabling. DfE advised us that larger sites have complex processes that were not analysed during the initial project requirements phase. These processes were only identified once EMS was rolled out into the live environments.

Key issues at high schools include:

- slow system performance due to higher than expected transaction volumes
- impacts to student time attendance calculations due to differing site timetable settings
- having to continually save while inputting data to reduce the risk of data loss. DfE advised us that this was due to additional security measures implemented for EMS.

DfE advised us that work is continuing to address outstanding defects, incidents and module change requests. It is prioritising these issues as incorrect timetable data can impact the accuracy of related processes such as attendance management and subject billing. We acknowledge that some of the issues raised by sites are not system problems, but sites seeking to change EMS workflows to match their existing processes.

At the time of our review, the EMS project team was developing integrations with specialist third-party software, such as timetabling, to address site functionality shortfalls.

The EMS project team originally intended to apply a standard migration approach for the LMS. As the project progressed, it was identified that many sites maintain different learning management systems that are complex because they have been customised. DfE advised us that it has taken extensive time and effort with sites to determine the migration scope, with some sites wanting to keep their existing learning management systems. At the time of our review, key functions not yet available included the ability for two-way messaging and mobile application.

Some larger high school sites have adopted the LMS module but have customised it to meet their specific needs.

To address these issues, the EMS project team is progressing a strategy for the use, management and support of these applications. It is intended to allow sites to adapt an EMS model to better suit sites specific needs.

## 7.9 Extensive effort is needed to support data migration

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The migration of legacy data onto EMS continues to be a challenge for the EMS project. The effort required to resolve issues related to site legacy data is much higher than originally expected. DfE advised us that this is mostly due to site data quality issues.

Most respondents to our site survey said that they experienced data migration issues. Common issues related to inconsistencies in information, missing staff and emergency contact information and new student enrolments.

We reconciled financial data migrated from EDSAS to EMS in early-2023 for two sites, involving over 25,000 transactions. We did this to verify that the balance for each general ledger account at the end of every period was identical between systems and that data was completely transferred at migration date.

We did not find any major issues, detecting only minor variances relating to transactions posted after the migration date that had been backdated.

## 7.10 Business-as-usual support arrangements may impact project delivery

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DfE advised us that as the site rollout progresses, some services have transitioned to a business-as-usual state. Despite this, there is still a heavy workload for the EMS project team to provide operational support to sites while continuing the project implementation. These competing priorities create a risk that sites may not receive the quality of support required.

In response to an issue raised in the February 2023 internal audit, DfE advised that a transition plan will be developed to move processes to business-as-usual by March 2024.

The lack of a clear operational support model may have impacted the survey responses we received from some sites (see Appendix 2 for survey results). The EMS project team will need to closely monitor the time and resource implications of providing site support as more sites are migrated, and the impact this might have on the project timeline. While the EMS project team remains responsible for most business-as-usual support activities, it will need to ensure there is clear guidance for project staff to meet site needs.

## 7.11 Benefits realisation planning is important

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The EMS project team finalised a benefits realisation plan in March 2020. The plan details several financial, non-financial and indirect benefits, with the EMS project team expecting the financial benefits from implementing EMS to reach \$208 million over 11 years (2018-19 to 2028-29). The timing of realising these benefits is based on rolling out to all preschools and schools.

Subsequent rollout delays have impacted the expected benefit realisation time frames. We reported to DfE in May 2021 that because of these delays the project's benefits realisation plan needed updating.

DfE advised us that it had initiated a review in October 2022, but it was put on hold until after the February 2023 internal audit was completed. At the time of our review, we found that the benefit realisation plan had not been updated.

DfE advised us that the expected benefits are likely to change given the refinement of scope and changes to EMS over the past few years. An update to the benefits realisation plan is dependent on an updated implementation strategy and rollout schedule, which would impact the timing of expected benefits (see Chapter 6).

## 8 Site survey feedback

We developed an EMS implementation site survey, and with the assistance of the EMS project team we provided it to 85 sites operating the Finance module. Our aim was to collect feedback on their EMS implementation experience, including user experiences, challenges and issues faced during and after rollout. The feedback we received from 51 sites is summarised in Appendix 2.

Sites have many different existing systems, functions, configurations and templates, and they maintain vastly different datasets. We acknowledge the challenges the EMS project team and sites face with such a large rollout impacting multiple business processes. We recommend that the EMS project team reviews our survey feedback and, where applicable, reflects it in the updated implementation strategy, change management and communication approaches for the remaining sites.

The survey responses indicated that sites are mostly comfortable with the EMS support arrangements. This includes post-go-live support and the availability of procedures and guidance documentation. However, some sites noted that post-go live support is decreasing as more sites are rolled out. Notable areas for improvement related to the extent of system downtime, outstanding technical issues, adequacy of training and availability of expected functionality. Sites also experienced difficulties with their data migration, the time it takes to perform some finance-related tasks and the usability of the timetable module.

DfE advised us that it accepted the feedback provided by sites about the need for increased site representation and improved governance. At the time of our review, the EMS project team was implementing several measures to address site concerns. This included establishing new site, corporate and association reference groups to operate from term 1 2024.

DfE also advised us that, in response to the February 2023 internal audit (see section 3.4), the structure of and approach to its existing site forums will be updated to reflect the establishment of a new working group. There will also be increased involvement from site representatives in user acceptance testing of system design and enhancements.

We thank all the users who participated in the survey on behalf of their sites, contributing their insights and feedback to this assessment. We also thank the EMS project team for facilitating this process.

# Appendix 1 – Extract from DfE’s response to our review

The original EMS project implementation period of 2020-2022 was significantly impacted by the disruption to schools and preschools caused by COVID-19. Despite these challenges, the EMS project continued to partner with schools and preschools to maintain progress.

Through this period the project has undertaken several adjustments to the project in order to achieve the project objectives. It is recognised that due to these adjustments that there have been control effectiveness issues which require uplift in line with best practice for a project the size and complexity of EMS.

Since early 2022, the department has been able to able to stabilise the operating environment for schools and preschools as the effects of COVID-19 have reduced. This allowed the EMS project to establish a clear path to project completion, with minimal risk of further change. Since mid-2022, the department has undertaken a number of independent reviews by external partners, including assurance and accounting firms, to assess project governance and internal controls. Review of internal controls included system access and electronic workflows embedded in the EMS Finance module as well as configurations of key fields and systems functionality. These reviews have enabled the department to strengthen its internal control environment and ensure the EMS system operates in an efficient and effective manner.

In addition, significant work has been undertaken by the Finance division and the EMS Project Team over the last 6 months including:

- reporting to the Project Board has been enhanced with greater focus on inception to date spend including more detailed reporting on modification costs; and
- the development and validation by the Finance division of an updated forecast of implementation and ongoing operational costs associated with completing the Project.

In reviewing additional funding requests for the project, Finance independently assesses the assumptions and costings to provide assurance over the reasonableness of the funding request.

The department accepts the findings of the Auditor-General’s review and has implemented an uplift to project governance with many of the key controls relating to project oversight, risk management and forecast controls now in place. Further work will be undertaken to complete all actions related to the Auditor-General’s findings over the next 6 months with an external assurance partner in place to validate effectiveness and align to best practice.

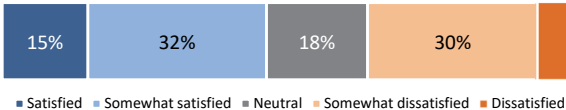
# Appendix 2 – Site survey results

In July 2023 we sent a survey to 85 sites (schools and preschools) about their experience with EMS. We received responses from 51 sites from July to August 2023.

The responses have been anonymised in the summary below.

## Nearly half of survey respondents are satisfied with EMS overall

47% of respondents expressed satisfaction with EMS functionality and features, with 35% indicated dissatisfaction and 18% being neutral.



## Availability of expected functionality for use at go-live

61% of the sites responded that expected functionality was not available for use at go-live, which impacted their operations.



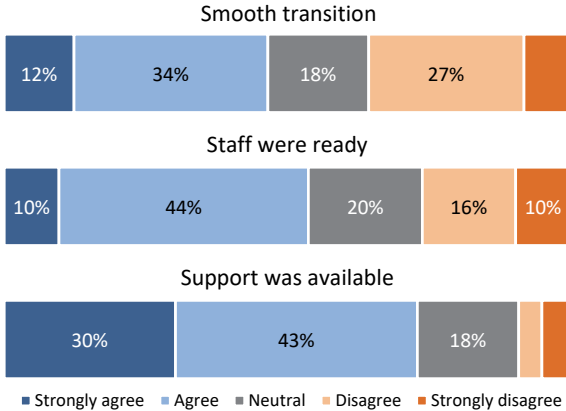
Based on the responses we received, several functions were not available at go-live creating challenges for site operations, including longer processing times and additional workarounds. Examples listed by the respondents included:

- challenges encountered with generating reports, such as the absence of reports or incomplete information
- issues linked to data migration, including missing data or data integrity problems
- complicated financial tasks with increased steps to complete
- integration challenges with pre-existing systems.

Other areas of concerns related to timetable management, attendance recording, academic reporting, parent communications and generating suspension letters.

## Site experience with the EMS implementation process

Site responses indicated that 46% experienced a smooth transition, 54% felt that the staff were ready and 73% had adequate support available.



## Availability of procedures and guidance documentation

Most sites (84%) responded that procedures and guidance documentation were provided to support staff at the time of implementation.



## Frequency of EMS system downtime

Only 38% of respondents had not experienced any instances of EMS system downtime at their site since implementation.

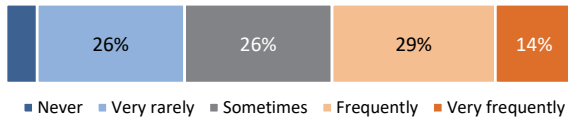
Most respondents (62%) advised they had experienced downtime on several occasions resulting in operational challenges. Of these respondents, 35% stated that the application was unavailable for approximately half of the day.



## Frequency of EMS technical issues

43% of respondents indicated a high occurrence of technical issues at their site, with varying levels of frequency. Examples listed were not being able to access modules/screens, not being able to upload/download documents, system slowness and workflow errors/issues.

5% of site respondents reported that they had not experienced any technical difficulties since EMS was implemented.

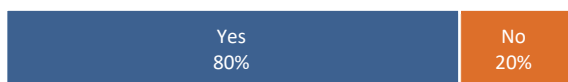


## Key issues faced during data migration

Most respondents (80%) indicated that they had experienced major issues with their data migration.

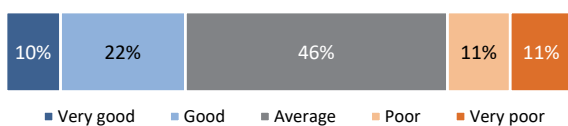
Respondents shared their experiences regarding key issues or challenges encountered during data migration. While their responses varied, some of the common issues they raised were inconsistencies in family-related information, missing staff and emergency contact information and new students enrolling.

DfE advised us that data migration issues are mostly due to site data quality issues. The EMS project team has spent considerable effort assisting sites with their legacy data.



## Experience with student and administration legacy data migration

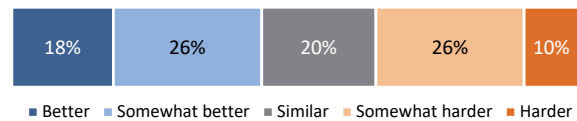
32% of respondents expressed a positive experience with their student and administration data migration. 68% said that their experience was average to very poor.



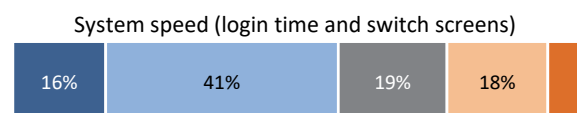
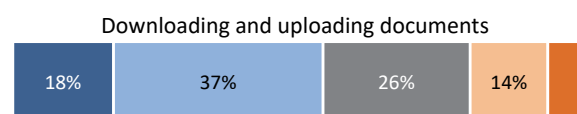
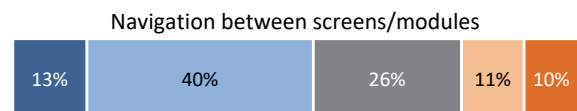
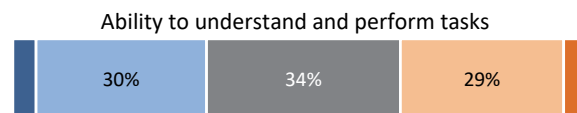
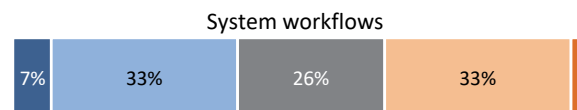
## EMS usability

We asked sites about their overall satisfaction with using EMS when compared to their previous system(s):

- 44% conveyed some or a greater degree of satisfaction compared with their use of legacy system(s)
- 20% reported neutral satisfaction, suggesting that their experience had not changed with the use of EMS
- 36% felt somewhat challenged or it has been more difficult to use specific aspects of EMS.



We requested further details about use perceptions of using EMS:



- Very easy to use
- Easy to use
- Neutral
- Somewhat difficult to use
- Difficult to use



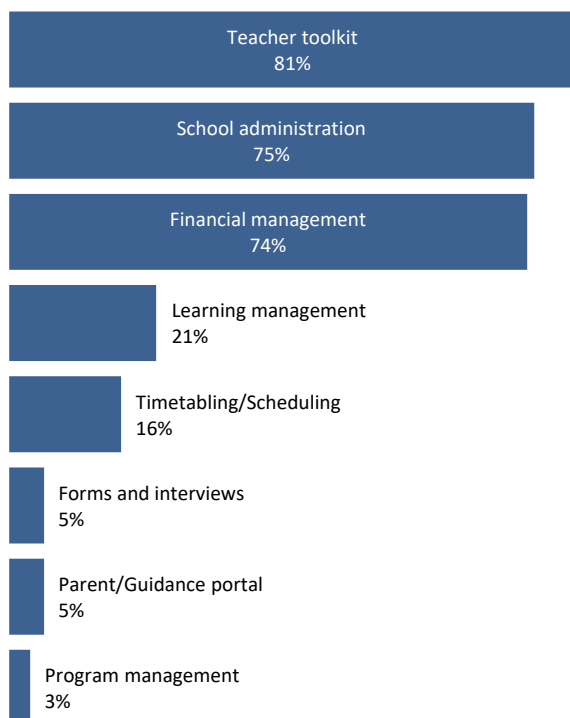
## Training

Most respondents (63%) believed the training provided at their site was not adequate.



## Operational effectiveness of EMS modules

Financial management, school administration and the teacher toolkit were the top three modules that most respondents said were operating effectively.



## Functionality not working effectively

51% of respondents indicated that not all functionality is currently working as expected.

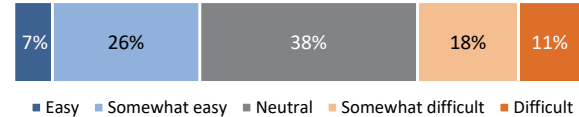


Modules that respondents said they were experiencing issues with included:

- 27% – financial management
- 24% – timetabling/scheduling
- 22% – school administration
- 19% – teacher toolkit
- 11% – parent/guardian portal.

## User access management

While most respondents (33%) found the new user access management process easy, 29% had difficulties requesting new user access or changing access for existing users.

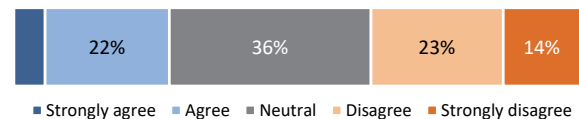


98% of respondents stated that their staff members log in with individual user IDs and passwords. Only 2% indicated the use of shared or common accounts.



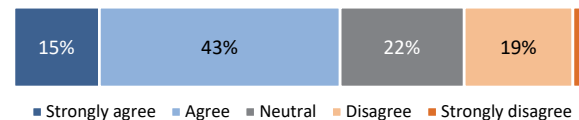
## Financial task efficiency

We asked whether EMS had improved the time it takes to perform financial tasks. 37% of respondents either disagreed or strongly disagreed that it has improved with EMS. 27% of respondents agreed or strongly agreed that they have experienced improvement and the remaining 36% were neutral, suggesting that their experience has not changed with the use of the new system.



## Post-go-live support

Most respondents (58%) indicated that their site has received appropriate post-go-live support.



Respondents suggested the following support areas could be improved for future site rollouts:

- more onsite support
- training videos
- more assistance with other modules, other than finance
- quality and layout of reports
- the process for onboarding new staff.



