



Offender Management System Modernization (OMS-M)

Samson

Phase 2 Final Audit Report
Correctional Service Canada – Internal Audit and Evaluation Sector

March 17, 2024



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Catalogue Number PS84-242/2024E-PDF

ISBN 978-0-660-72786-8

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Overall Audit Objective

The objective of this multi-phased audit approach is to provide assurance that the management control framework in place for the Offender Management System Modernization (OMS-M) Project ensures successful achievement of its planned outputs and intended outcomes, while completing the project on time, on budget, and in accordance with specifications.

The multi-phased audit approach is broken down into three sub-objectives:

1. Project Governance and Planning
2. Project Management
3. System Development Life Cycle (SDLC)

These 3 sub-objectives are further broken down into 15 potential audit areas. A risk assessment is performed at the beginning of each phase to determine which of those 15 areas to focus on for that phase. Phase 1 of the audit was completed in January 2022 and covered 9 areas under all 3 sub-objectives. A follow-up to the recommendations issued for Phase 1 was performed during this Phase 2 audit.

The Appendix contains details on upcoming audit phases.

Phase 2 Audit Objective

The objective of the second audit phase was to determine whether CSC is adequately prepared to complete the planning and procurement phase of the OMS-M initiative, including the alignment of supporting activities to enable key decisions on the scope, approach, and design of the solution. In addition, the audit included a follow-up on the recommendations from the Audit of OMS-M Phase 1 to evaluate completion of actions and residual risk.

Phase 2 of the audit focused on the following areas:

Scope	Areas of Focus
Procurement	<ul style="list-style-type: none"> • Systems Integrator (SI) procurement • Solution procurement • Prototyping phase/vendor management • Value Management Office (VMO) procurement
Planning	<ul style="list-style-type: none"> • Treasury Board submission development • Alignment of Data Foundations project to OMS-M • Data readiness for OMS-M planning and development phase
Business Requirements	<ul style="list-style-type: none"> • Project scope/ business requirements • Build vs buy decision



Phase 2 Audit Conclusion

The OMS-M project recently completed numerous procurement and project milestones to receive Treasury Board (TB) approval in June 2023 for expenditure authority going forward. This approval mitigates many high risks which existed for the project throughout 2022-23. The establishment of a dedicated OMS-M Steering Committee in 2022 has also strengthened governance, reporting, risk management, and visibility of dependencies. The OMS-M project is now expected to be completed in 2027-28 at a cost of **[REDACTED]**.








The audit team determined that CSC has successfully achieved the objectives of this audit phase and has effectively completed the planned actions in response to the previous audit phase, resulting in the resolution of most risks associated with those recommendations. However, there are still risks that need to be addressed as the project progresses, particularly in the areas of human resources (HR) and organizational structure, data strategy, schedule, and alignment of development methodologies among the different parties involved. It is important to note that no major deficiencies were found considering the current stage of the project.

This audit phase only partially covered organizational change management given the higher priority planning and procurement activities in flight during the time of the audit. Considering the importance of change management for large initiatives such as OMS-M, future audit phases will cover the area in greater depth.

While dependencies between the Data Foundations project and the OMS-M project are being managed and reported to the OMS-M Steering Committee, there are still broader residual risks pertaining to the project's data migration planning and alignment to the organization's overall data strategy. The Data Foundations project is focused on developing interfaces to link data across systems, whereas broader efforts are required to clarify data governance, cleanse data, and develop a plan to prepare the organization's data for use in the OMS-M solution being developed.

Summary of Conclusions by Criteria

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Audit Criteria	Result	Description of results by criteria
Project Governance and Planning		
1a) Governance		Phase 1 Follow-up: CSC has stood up an OMS-M Steering Committee which meets regularly to review project status and risks. Governance for the upcoming delivery phase between internal and external parties is still in development.
1c) Planning		CSC has completed key project milestones and received TB approval to unlock expenditure authority for the upcoming design phase. Additional work needed to define supporting overall data plan.
Project Management		
2a) PM Processes		Phase 1 Follow-up: CSC is continuing to define the development methodology and project management approach for upcoming project phases and align vendor methodology with gating requirements.
2b) Project Human Resources		Phase 1 Follow-up: CSC has mitigated the risk of budget constraints for staffing due to TB submission delays, but risks remain in the short and medium term to recruit and onboard adequate staff in a timely manner. Work to finalize the organizational chart between the OMS-M team and IMS is ongoing. An OMS-M project team is in place; however, there has been turnover in senior project leadership in 2023.
2c) Risks & Issues Management		Phase 1 Follow-up: Risks are regularly reported to the OMS-M Steering Committee and documented in committee presentations.
2d) Procurement		CSC completed an agile procurement process for a solution vendor through a successful prototyping phase. Only one solution vendor qualified. CSC has designed an agile contracting approach which supports the project's phased development approach. A procurement process is underway for a System Integrator (SI). Timelines for the SI procurement are on track and aligned with the project schedule to onboard the SI in fall 2023.
System Development Lifecycle (SDLC)		
3a) Business Requirements		CSC has opted for an ambitious high modernization option for OMS-M transformation, and to leverage vendor solution capabilities for most business capabilities. The full scope of organizational business process transformation to support this option is yet to be defined and planned and will be conducted during upcoming project phases. Additional work is required to define the IT infrastructure to support the desired end state.



Phase 2 Audit Recommendations

Audit Objective	Recommendations
Project Governance and Planning	
1. To provide assurance that CSC has implemented an effective project governance framework that includes accountability, roles, responsibilities, change management, strategic planning, alignment with interdependent projects (i.e., Data Foundation Project), and performance measurement.	<ol style="list-style-type: none">1. The OMS-M project sponsor should ensure adequate governance committees and working groups with IMS staff, management, and continued engagement by operational staff.2. CSC should develop a data plan to support OMS-M design and development and ensure it is aligned with the department’s overall enterprise data strategy.3. The OMS-M steering committee should receive regular reporting on the progress and dependencies of the department’s overall data strategy.
Project Management	
2. To provide assurance that CSC has implemented effective project management practices that includes project management monitoring & reporting (i.e., scope, time, budget, and quality management), project human resources, risks & issues management, and procurement management.	<ol style="list-style-type: none">4. The OMS-M project team should update the project gating plan, and clarify the System Development Life Cycle (SDLC) and project artefacts required for each gate.5. The OMS-M project team should work with IMS to finalize the organizational chart, roles and responsibilities, and Human Resources (HR) strategy.
System Development Lifecycle (SDLC)	
3. To provide assurance that CSC has implemented effective system development lifecycle methodology that includes business requirements, design, development, testing, implementation & rollout, transition to operations, and security/privacy/ internal controls.	<ol style="list-style-type: none">6. IMS should articulate the cloud infrastructure and support requirements needed to support OMS-M and ensure alignment of OMS-M cloud infrastructure and support requirements to the department’s Cloud Strategy.



Follow-up from Phase 1 Recommendations

Recommendations	MAP Status	Results	Residual Risk
Project Governance and Planning			
1. Meetings dedicated to OMS-M should be implemented so that issues and risks that need executive input can get the attention needed.	Complete	CSC set up a dedicated OMS-M steering committee in January 2022 which includes senior management. The committee meets monthly and has received regular status reporting on the project.	Low
2. Provide an information session to committee members highlighting the lessons learned from other similar transformation initiatives across government.	Complete	Steering committee members were provided with an information session in spring 2022 on lessons learned from other transformational projects such as the implementation of the Phoenix Pay System.	Low
3. CSC should ensure that the OMS-M governance structure has clear visibility of OMS-M dependencies on other projects and related risks and issues.	Complete	The steering committee has been provided with regular reporting on the dependency to the Data Foundations project. Due to delays in the OMS-M project, the timelines of the two projects are better aligned and the risks of the dependency are considered low. Risks related to the project's data plan and alignment to the dept's overall enterprise data strategy are not directly tied to the Data Foundations project.	Moderate



Follow-up from Phase 1 Recommendations (cont.)

Recommendations	MAP Status	Results	Residual Risk
Project Management			
<p>4. CSC should review its Project Management Framework (PMF) to ensure it is flexible and aligned with agile development practices if those practices are to be adopted by OMS-M. This activity should be completed prior to the development and execution phase of the project.</p>	<p>Complete</p>	<p>CSC conducted a review and decided that no changes were required to the departmental PMF. CSC has opted for a primarily waterfall approach to the project delivered through three phases for different modules/capabilities. The solution vendor has provided its proposed deliverables. The OMS-M team is still working to define what project management and SDLC deliverables will be required for Gate 3. The methodology of the SI is to be defined once onboarded.</p>	<p>Moderate</p>
<p>5. CSC should evaluate its ability to meet its staffing needs within the existing budget in the event of minor to moderate additional delays in the project schedule; and given the activities of the team are expected to intensify in 2022, preparatory steps should be taken to avoid a staffing crunch during the critical phases of the procurement leading up to Gate 3 and the selection of a preferred vendor.</p>	<p>Complete</p>	<p>The OMS-M project team completed the project activities to receive approval from TB for additional expenditure authorities in June 2023. To support the next phase of the project CSC aims to staff over 70 new resources on OMS-M activities in 2023. The OMS-M project team developed an HR strategy to support staffing, but there is a reasonable chance of delays in staff onboarding. Discussions have been ongoing between the OMS-M team and the Information Management Services (IMS) branch on the organizational chart of these resources, and the organizational chart is yet to be finalized.</p>	<p>Moderate</p>



Follow-up from Phase 1 Recommendations (cont.)

Recommendations	MAP Status	Results	Residual Risk
Project Management			
6. Reporting of significant risks and issues should be a regular standing item to governance committees, with mitigation options presented for discussion and approval purposes.	Complete	Risks and issues are reported monthly to the steering committee, and in greater depth on a quarterly basis.	Low
7. CSC should consult with Public Services and Procurement Canada (PSPC) in the development of its procurement plan and ensure that there is alignment between the procurement plans of both departments before the CSC plan is submitted for approval by Information Management/Information Technology Transformation Committee (IMIT TCOM).	Complete	CSC developed a System Integrator (SI) procurement plan and presented the procurement approach to the OMS-M steering committee. There is regular operational coordination between the CSC OMS-M team and PSPC on the SI procurement approach and timeline. CSC has opted not to pursue a Value Management Office (VMO) procurement.	Low



Findings - Governance

1.1 Criterion - Effective and adequate governance structures are in place to provide oversight of the project

Strengths noted

- The OMS-M steering committee was established in 2022 and is meeting regularly to discuss status, risks and issues.
- The concept of “accountability frameworks” was introduced across CSC to enshrine expectations for broad support of the initiative. Once fully in place this will be an enabler to support business transformation as the project moves forward.
- The change management committee structure continues to be in place, including working groups with regional employees (e.g. ROME committee). Note: change management was not the focus of this audit phase and is planned to be covered in depth in audit phase 3 (see appendix).

Risks, challenges and opportunities for improvement

- Governance structure with the recently selected solution vendor involved and future system integrator is yet to be defined. Planning work will be required to ensure effective governance structure is in place for fall 2023.
- Effective collaboration with the IMS branch will be important to ensure IT is a valued partner in the project. The Chief Information officer (CIO) sits on the OMS-M steering committee, but there is an opportunity for additional working group and committee structures to support ongoing collaboration.



Findings – Governance (cont.)

1.1 Criterion - Effective and adequate governance structures are in place to provide oversight of the project

Impact

- Failure to ensure adequate inclusion of IMS in OMS-M project governance could lead to misalignment in departmental digital and investment plan to optimally support the OMS-M vision and may impact the success of system integration.

Recommendation

1. The OMS-M project sponsor should ensure adequate governance committees and working groups with IMS staff, management, and continued engagement by regional and operational staff.



Findings – Planning

1.3 Criterion – Project planning is well aligned with CSC’s strategic priorities and provides adequate alignment with interdependent projects (i.e., Data Foundation Project)

Strengths noted

- Significant progress was made from fall 2022 to summer 2023 in planning for the project and the development and approval of a TB submission to unlock expenditure authority going forward.
- **[REDACTED]**
- The schedule of Data Foundations project is now aligned with OMS-M timelines, and dependency risks are significantly lower compared to 2021/22.

Risks, challenges and opportunities for improvement

- The project’s data planning and alignment to the department’s overall data strategy remains a risk area. A dedicated IMS team was stood up in fall 2022 to work on the department’s data strategy and support the OMS-M project’s data requirements. Work remains to define the data requirements needed for the OMS-M solution and organize data cleanup activities. **[REDACTED]** Overall data governance in the organization is a risk to be managed as the OMS-M project moves forward.



Findings – Planning (cont.)

1.3 Criterion – Project planning is well aligned with CSC’s strategic priorities and provides adequate alignment with interdependent projects (i.e., Data Foundation Project)

Impact

- Failure to develop a comprehensive data plan in alignment with the department’s data strategy could impede the design and development of the solution. Failure to adequately consolidate and cleanse data could impede the implementation and rollout of the designed solution.

Recommendations

2. CSC should develop a data plan to support OMS-M design and development and ensure it is aligned with the department’s overall enterprise data strategy.
3. The OMS-M steering committee should receive regular reporting on the progress and dependencies of the department’s overall data strategy.



Findings – Project Management Processes

2.1 Criterion – Adequate processes are in place to manage the project schedule, scope, budget, and quality of the project

Strengths noted

- The OMS-M team has opted to pursue a project approach where the development and implementation will be divided into 3 phases based on business capabilities, starting with case management. This iterative approach enables better risk management by subdividing the project. The contracting approach through the agile procurement has been designed to support this phased strategy.
- The solution vendor has provided an outline of project deliverables which aligns with CSC project management requirements.
- **[REDACTED]** The OMS-M project team plans to align the project deliverables to the existing departmental project management framework.



Findings – Project Management Processes (cont.)

2.1 Criterion – Adequate processes are in place to manage the project schedule, scope, budget, and quality of the project

Risks, challenges and opportunities for improvement

- The OMS-M project team will need to update the project gating strategy for the project to align the phased approach with the Project Management Framework (PMF). IT projects are required to seek approval to proceed from oversight committees at key junctures, referred to as project gates. **[REDACTED]**
- **[REDACTED]** The OMS-M team will need to ensure that this development approach is aligned with CSC requirements and practices, and compatible with those of the system integrator.

Impact

- Without a clear gating strategy senior management will lack clarity on the control and oversight of the project at key junctures prior to the deployment of business capabilities and may lack information to make informed decisions in a timely manner.

Recommendation

4. The OMS-M project team should update the project gating plan and clarify **[REDACTED]**



Findings – Project Human Resources

2.2 Criterion – Adequate HR management practices have been planned and implemented for the project

Strengths noted

- With the approval of the TB submission CSC has unlocked additional expenditure authority and has mitigated the HR risk of maintaining the core project team. A dedicated OMS-M project team is in place and key roles are staffed.
- To support the upcoming design and development phase the OMS-M team plans to add a significant number of new employees to the initiative [REDACTED]. In support of this effort the OMS-M team has developed a high-level HR strategy and has begun preparatory work to define the roles and skills needed. CSC plans to leverage internal resources with operational expertise for many positions which can enable faster transition and onboarding.



Findings – Project Human Resources (cont.)

2.2 Criterion – Adequate HR management practices have been planned and implemented for the project

Risks, challenges and opportunities for improvement

- There is a risk that CSC will not be able to recruit and onboard staff as quickly as desired, causing delays to the project schedule. This risk has already been reported to the OMS-M steering committee.
- The OMS-M project team has seen turnover in senior leadership. Given the long-time horizon of the project, there is an ongoing risk of turnover of senior staff, i.e., planned retirements.
- CSC has yet to fully define the role of the IMS branch in the design and development phase, and which project resources will be staffed in IMS vs the Project Team led by the Assistant Commissioner, Correctional Operations and Programs (ACCOP). Roles and responsibilities were being defined and a draft organizational chart was in development at the time of the audit but had yet to be finalized.

Impact

- Failure to efficiently recruit, onboard, and retain staff to the project could lead to project schedule delays.

Recommendation

5. The OMS-M project team should work with IMS to finalize the organizational chart, roles and responsibilities, and Human Resources (HR) strategy.



Findings – Risks and Issues

2.3 Criterion – A risk and issues management process has been implemented to appropriately monitor and report on project risks and issues in a timely manner

Strengths noted

- Project risks and issues are regularly reported to the OMS-M steering committee.
- On a quarterly basis the OMS-M steering committee is presented with a detailed risk analysis, including mitigation plans for key risks.

Risks, challenges and opportunities for improvement

- No significant gaps or concerns were noted in this area.

Impact

- Insufficient reporting and action to address risks could impede project success.

Recommendation

- None

Findings – Procurement

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2.4 Criterion – Adequate procurement vehicles are available in a timely manner to support the project

Strengths noted

- CSC conducted an agile procurement process for the OMS-M solution, including a prototyping phase for the vendor to demonstrate the solution’s ability to meet the desired business capabilities. The prototyping phase was successful and conducted in keeping with best practices.
- Through the agile procurement process CSC has adopted a contracting approach enabling the OMS-M initiative to be developed through multiple task authorizations for each phase of capabilities development. This subdividing of the contract provides additional flexibility to the government during the development and implementation phase and incentivizes performance from the solution provider.
- Initial delays in the project schedule as a result of the procurement process have been reflected in the project’s updated schedule, and procurement activities are proceeding as planned.
- CSC is conducting a separate procurement process for a System Integrator (SI) to support OMS-M and other enterprise modernization initiatives. The procurement process is ongoing with no significant risks or challenges currently noted. PSPC will need to seek Treasury Board approval for contracting authority, which is planned for fall 2023.
- The OMS-M project team and PSPC are in regular coordination on the plan for both the solution and SI procurement. The OMS-M steering committee is briefed on procurement progress and a PSPC representative sits on the steering committee.
- CSC has opted not to pursue a separate procurement process for a Value Management Office (VMO). Instead, benefits and value will be managed internally. This decision reduces the procurement effort required on the team and reduces the risk of procurement delays impacting the project schedule.



Findings – Procurement (cont.)

2.4 Criterion – Adequate procurement vehicles are available in a timely manner to support the project

Risks, challenges and opportunities for improvement

- [REDACTED]
- There is a risk that the SI procurement will take longer than currently scheduled, impacting the onboarding of the SI and project timelines. This risk is being actively monitored by the project team.
- Working arrangements and governance for how the solution provider, SI, and CSC resources from ACCOP and IMS will conduct the design and development phase have yet to be documented. The SI is expected to play a large role in coordinating this activity. Consequently, delays in onboarding the SI will impede the ability for CSC to plan and execute the design and delivery stage.

Impact

- Failure to execute supporting procurement activities will impact the project schedule.

Recommendation

- None



Findings – Business Requirements

3.1 Criterion – Business requirements have been formally documented, prioritized, and approved for the project, and processes are in place throughout the project

Strengths noted

- CSC has identified 18 business capabilities for the OMS-M project. Through the prototyping phase the vendor was able to demonstrate a good fit of the solution to CSC’s desired business capabilities. A more detailed fit/gap analysis is to be conducted in the upcoming design phase. Based on the strong alignment of the vendor product to CSC’s needs **[REDACTED]**
- **[REDACTED]**
- CSC has opted to develop and deploy the new OMS-M solution in tandem while the existing legacy OMS-M system remains in operation. This approach reduces the risk of “big-bang” deployments where all features of a new system are rolled out at the same time, and enables flexibility as the organization implements phased introduction of new capabilities.
- CSC has prioritized Case Management capabilities as highest priority and designed the first project phase to develop and implement this functionality.



Findings – Business Requirements (cont.)

3.1 Criterion – Business requirements have been formally documented, prioritized, and approved for the project, and processes are in place throughout the project

Risks, challenges and opportunities for improvement

- The full scope of organizational business process transformation is yet to be defined and planned. A discovery process is planned to take place in the upcoming project phase. Presently accountability agreements are being put in place to foster organizational buy-in and support.
- **[REDACTED]**
- The OMS-M team has opted for a cloud-based model to deliver the solution which will require significant support by IMS to stand up and maintain the cloud infrastructure. Planning details, system development plan and IT requirements planning have been limited to date in this area. Development of cloud environments is currently underway to support the upcoming design and development phase. Underestimation in the costs associated with a cloud-based model for OMS-M may impact the long-term operational costs of the solution and total cost of ownership.
- The approach to deploy the new OMS-M solution in tandem with the legacy system necessitates significant work in system integration, including interoperability and data management. Greater interoperability requirements increase the dependencies between OMS-M success and broader departmental efforts to modernize its databases and applications.



Findings – Business Requirements (cont.)

3.1 Criterion – Business requirements have been formally documented, prioritized, and approved for the project, and processes are in place throughout the project

Impact

- Failure to adequately plan and manage supporting IT infrastructure activities increases the risk of unplanned project costs and could lead to implementation delays.

Recommendation

6. IMS should articulate the cloud infrastructure and support requirements needed to support OMS-M and ensure alignment of OMS-M cloud infrastructure and support requirements to the department's Cloud Strategy.



Management response to recommendations

- Management has accepted the recommendations, and a management action plan has been created in response to the recommendations.

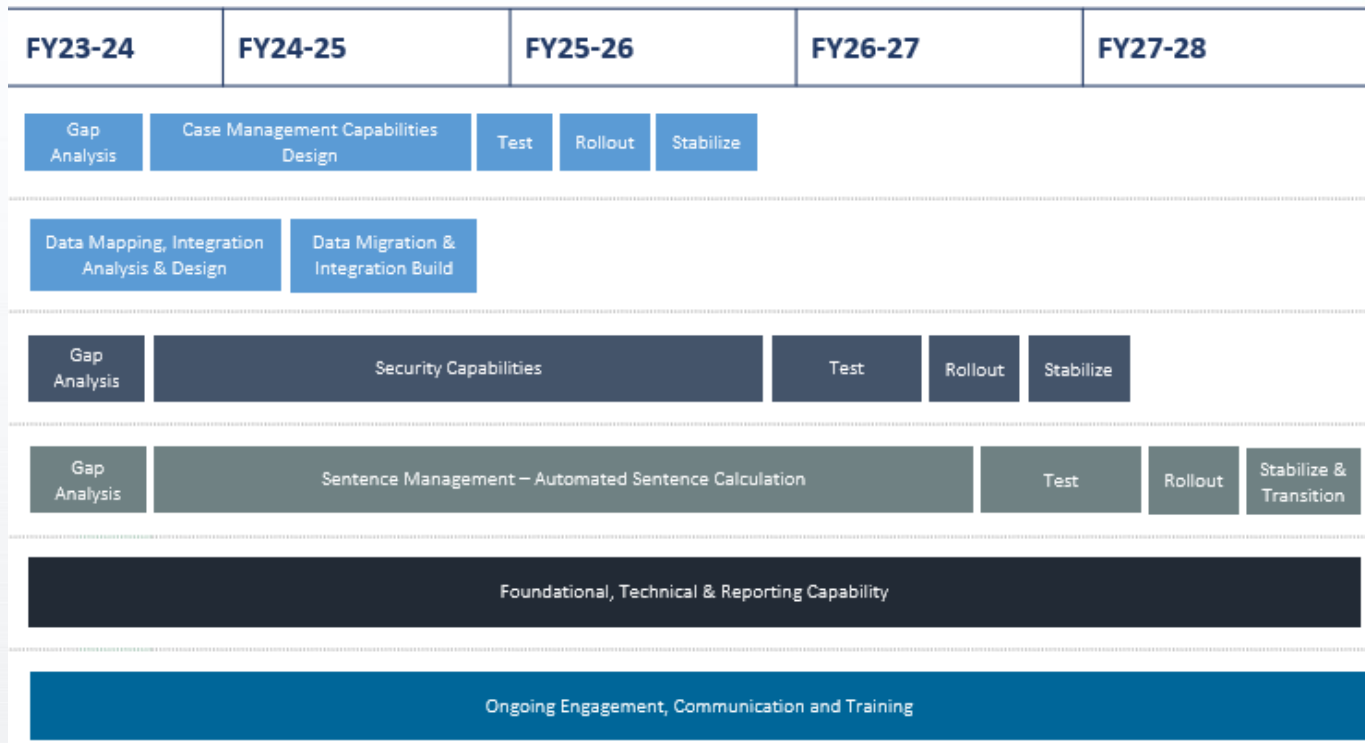


Appendices



Appendix A - OMS-M Project Schedule

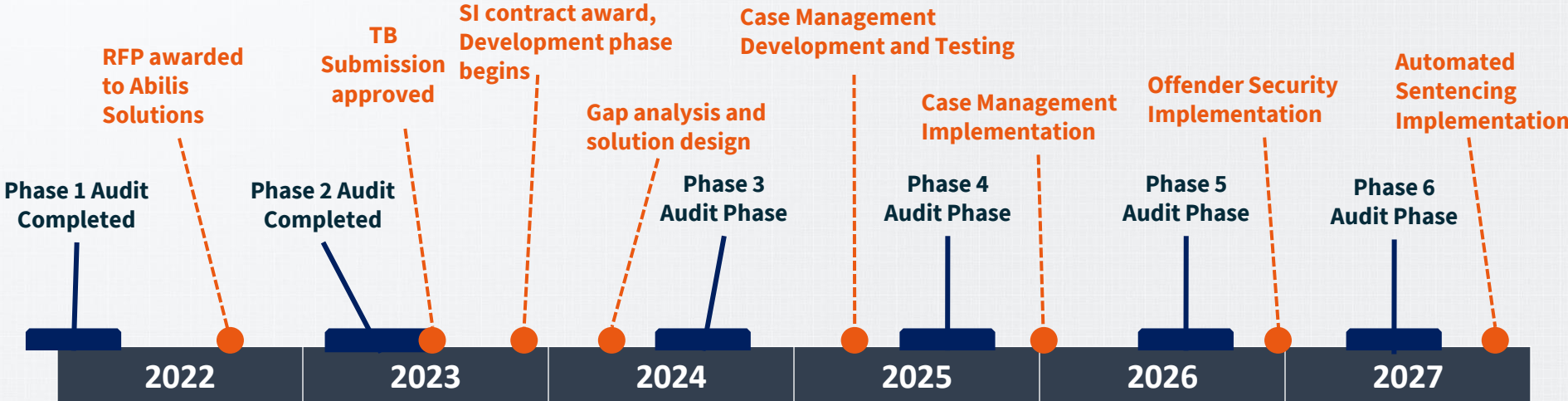
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Appendix B - Audit Phases and Scope

In 2023 CSC modified the OMS-M project plan to a phased approach based on iteratively developing and deploying business capabilities, starting with Case Management.

The audit approach aims to provide independent assurance throughout the lifecycle of the project. To account for the updated project plan, four subsequent audit phases are proposed – each spaced approximately one year apart and aligning with the remaining three project phases of the OMS-M initiative. A Samson risk assessment will take place prior to each phase to confirm timing and scope. Each audit phase will be timed before a key decision point/phase in the project.





Appendix B - Audit Phases and Scope (cont.)

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Criteria	Planning/Elaboration		Executing/Delivery			
	Phase 1: Fall 2021	Phase 2: Spring 2023	Phase 3: Summer 2024	Phase 4: Summer 2025	Phase 5: Summer 2026	Phase 6: Summer 2027
1. Project Governance						
1a) Governance	✓	✓	✓			
1b) Organizational Change Management	✓		✓	✓	✓	✓
1c) Planning	✓	✓				
1d) Performance Measurement	✓				✓	✓
2. Project Management						
2a) Project Management Processes	✓	✓	✓			
2b) Project Human Resources	✓	✓	✓	✓		
2c) Risks & Issues Management	✓	✓		✓		
2d) Procurement	✓	✓	✓			



Appendix B - Audit Phases and Scope (cont.)

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Criteria	Planning/Elaboration		Executing/Delivery			
	Phase 1: Fall 2021	Phase 2: Spring 2023	Phase 3: Summer 2024	Phase 4: Summer 2025	Phase 5: Summer 2026	Phase 6: Summer 2027
3. System Development Lifecycle (SDLC)						
3a) Business Requirements	✓	✓	✓			
3b) Design			✓	✓		
3c) Development			✓	✓	✓	✓
3d) Testing			✓	✓	✓	✓
3e) Implementation & Rollout				✓	✓	✓
3f) Transition to operations				✓	✓	✓
3g) Security, Privacy, Internal Controls			✓	✓	✓	✓