Northern Ireland Assembly

Public Accounts Committee

Report on Major IT projects in Northern Ireland

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Report: NIA 179/22-27 Public Accounts Committee

Mandate 2022 – 2027 **Fourteenth Report**

Northern Ireland Assembly

Contents

Powers and Membership

Powers

The Public Accounts Committee is a Standing Committee established in accordance with Standing Orders under Section 60(3) of the Northern Ireland Act 1998. It is the statutory function of the Public Accounts Committee to consider the accounts, and reports on accounts laid before the Assembly.

The Public Accounts Committee is appointed under Assembly Standing Order No. 56 of the Standing Orders for the Northern Ireland Assembly. It has the power to send for persons, papers and records and to report from time to time. Neither the Chairperson nor Deputy Chairperson of the Committee shall be a member of the same political party as the Minister of Finance or of any junior minister appointed to the Department of Finance.

Membership

The Committee has 9 members, including a Chairperson and Deputy Chairperson, and a quorum of five members. The membership of the Committee is as follows:

- Mr Daniel McCrossan MLA (Chairperson)
- Mr Tom Buchanan MLA (Deputy Chairperson)[4, 7]
- Mr Cathal Boylan MLA
- Mr Tom Buchanan MLA
- Mr Jon Burrows MLA[1,2,3,6]
- Ms Jemma Dolan MLA[9]
- Mr Stephen Dunne MLA[5]
- Mr Colm Gildernew MLA
- Mr David Honeyford MLA

[1]With effect from 5 March 2024 Mr John Stewart replaced Mr Robbie Butler

[2]With effect from 21 October 2024 Mr Colin Crawford replaced Mr John Stewart

[3]With effect from 31 July 2025 Mr Colin Crawford resigned

[4]With effect from 16 September 2025 Ms Diane Forsythe replaced Ms Cheryl Brownlee as Deputy Chairperson

[5]With effect from 23 September 2025 Mr Stephen Dunne replaced Ms Cheryl Brownlee

[6]With effect from 6 October 2025 Mr Jon Burrows replaced Mr Colin Crawford

[8]With effect from 2 March 2026 Mr Gareth Wilson replaced Ms Diane Forsythe

[9]With effect from 2 March 2026 Ms Jemma Dolan replaced Mr Pádraig Delargy

List of Abbreviations and Acronyms used in this Report

AI	Artificial Intelligence
ALBs	Arm's Length Bodies
Audit Office	Northern Ireland Audit Office
C&AG	Comptroller and Auditor General
HR	Human Resources
IT	Information Technology
NI	Northern Ireland
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
PfG	Programme for Government
SEN	Special Educational Needs
TEO	The Executive Office
The Assembly	The Northern Ireland Assembly
The Committee	Public Accounts Committee
The Department	Department of Finance

Executive Summary

Introduction

1. The Public Accounts Committee met on 23rd April 2026 to consider the Northern Ireland Audit Office's (NIAO) report "Major IT projects in Northern Ireland". The main witnesses were:

- **Neil Gibson,** Permanent Secretary**,** Department of Finance**;**
- **Paul Duffy,** Deputy Secretary**,** Department of Finance**;**
- **Dorinnia Carville**, C&AG, Northern Ireland Audit Office; and
- **Stuart Stevenson**, Treasury Officer of Accounts, Department of Finance.

2. The Committee also sought written updates from Departments on the case studies featured in the NIAO report on Major IT Projects as well as requesting subsequent written clarification from the Department of Finance and the Executive Office on a number of matters raised during its oral evidence session.

Background

3. Pressures on public finances, evolving expectations and end user needs mean that reforming and modernising public services and improving public sector productivity and efficiency must be a key focus of central government. The successful delivery of new IT systems, digital transformation and availability of data are key to addressing these challenges and have the potential to transform the delivery of public services.

4. In the period April 2022 to March 2025, the Audit Office reported that Northern Ireland (NI) Departments and their Arm's Length Bodies (ALBs) managed a portfolio of 29 major IT projects with a total estimated whole life cost in excess of £5.2 billion. Most of the projects (24 of 29) are to replace old systems – known as 'legacy' IT systems.

5. The Committee was frustrated to see once again many of the same weaknesses and failures that have been a feature of other inquiries. This includes poor strategic planning; insufficient capacity and capability to deliver complex change; governance and accountability weaknesses; and costly contract extensions. In the Committee's view these issues are not isolated to just one Department; they are systemic across the Northern Ireland Civil Service (NICS).

6. These persistent failures continue to expose public services and the public purse to unnecessary risk and significant costs. It is absolutely fundamental that the NICS has IT systems which are fit-for-purpose and capable of transforming services and improving outcomes. The Committee expects to see clear evidence that lessons are being learned and that future investment in, and delivery of, major IT and digitalisation projects genuinely supports effective modern public service delivery.

A more strategic approach is needed to enable the reform and transformation of public services through the delivery of major IT and digitalisation projects

7. Reform and transformation of public services is one of nine priorities for the 2024-27 Programme for Government (PfG) with digital transformation highlighted as an enabling action. The Committee considers a strategic approach is essential to unlock the potential brought by new technologies and deliver on the digital transformation ambitions of the PfG. A lack of a strategic approach to the design and delivery of major IT-enabled change and digitalisation projects across NICS is therefore disappointing.

8. The Committee was frustrated by what it perceived as an unwillingness by senior leaders to work and deliver collectively. The Committee considers that the current arrangements demonstrate a level of disregard for the importance of accountability within the civil service for the billions of pounds spent on these projects. It has serious concerns over the current fragmented approach, and lack of appetite to articulate a clear vision,

identify priorities and set consistent principles to ensure interoperability of systems, exploit potential synergies and avoid unnecessary duplication of effort.

NICS must maximise the potential opportunities and manage the risks of Artificial Intelligence to deliver efficiencies

9. The Committee understands that a draft Artificial Intelligence (AI) Strategy will soon proceed to public consultation. The Strategy is intended to provide a clear and consistent framework to guide AI adoption across the NICS. However, it considers that Northern Ireland is lagging behind other jurisdictions both in terms of the implementation of a strategy and data readiness. It is essential that work is progressed at pace and collaboratively across NICS to identify where AI could add the greatest value and deliver efficiencies – both in civil service processes and public facing services, and to ensure our data is held in a format that can be used effectively.

A full understanding of the reliance on legacy IT systems and the associated risks must be established

10. In contrast to England, where a legacy IT risk assessment framework has operated for several years, there is a lack of understanding in Northern Ireland of the extent to which legacy IT systems are used or the risks they pose to the effective and efficient delivery of services. The Committee heard that since the NIAO report was published in July 2025 some progress has been made and that that work is underway to complete legacy IT assessments across Departments and ALBs.

11. Understanding the scale of and state of legacy technology and how it affects service delivery is essential to manage risks as well as informing decisions to direct investment towards the most critical areas in need of modernisation. The Committee does not understand why it has taken until now for NI Departments to come to this realisation and complete legacy risk assessments. Furthermore, there was no commitment to use the outcomes of the legacy risk assessment to inform collective decision making and

investment across NI. The continued silo mentality has left the Committee questioning the ability of senior civil servants to successfully lead digital transformation and modernisation of public services.

Reliance on repeated contracted extensions must be addressed to deliver better value for money

12. The Committee has previously highlighted the risks associated with ongoing contract extensions and the need for strong contract management and strategic planning. It is unacceptable that lessons have not been learned. The Committee was told that extensions ensure that services are still being delivered however, the Committee is concerned that this does not take account of potential improvements to services that could be generated by using more up to date emerging technology. Witnesses also stated that very often replacement systems are more expensive. This combined with commentary that there is a culture of aversion to change left the Committee with the impression that it was easier for civil servants to continue relying on legacy systems, at the detriment of the public service user and the public purse.

13. The Committee was appalled by this level of complacency and the lack of recognition of the lost benefits to users of having modern, efficient systems in place at an earlier juncture and the importance of getting the best value for public money.

Strong collective leadership is essential in addressing capacity and capability issues to strengthen the design and delivery of all major projects

14. Yet again the Committee found that capacity and capability difficulties continue to inhibit the successful delivery of major projects in Northern Ireland. As far back as 2010, this Committee recommended that a register of public sector staff with project and programme management skills and experience be put in place to ensure that future projects would benefit from an experienced pool of staff. Over fifteen years later this has not been fully implemented. The Committee has now been told that once Integr8 is in

place, in 2028, NICS will be in a position to more clearly identify skills gaps. This delay is unacceptable and represents a failure in leadership to action previous commitments made to this Committee.

15. Discussions on the development of a Project Delivery profession have been ongoing for the past decade. This is not a new issue, and the Committee cannot comprehend how progress has been so unacceptably slow. The Committee is increasingly alarmed by the persistent failure of senior leaders across NICS to collectively address this long-standing issue impacting on effective and efficient delivery across the system.

16. In addition to project and contract management skills, there is a need for specific technical skills including digital skills. The Committee welcomes that the People Strategy includes a commitment to improve digital skills and create an empowering digital environment in NICS. Digital maturity assessments have been completed across Departments to look at current skills, and recommendations are being implemented to upskill people, create greater capacity and grow the digital profession. The Committee also heard that transformation funding will enable the recruitment of a Chief Digital Officer. These developments are a positive step forwards, but much more remains to be done to advance digital skills at pace across Departments.

There must be greater clarity across major IT and digitalisation projects on the anticipated benefits, and continued monitoring to ensure benefits are achieved

17. Integr8 is a central government IT-enabled transformation programme led by the Department of Finance. It aims to transform how Finance and HR services are delivered across NICS and will replace the existing HR Connect and Account NI systems with a single integrated cloud-based solution. The Account NI contract expired in 2018, while the HR Connect contract expired in 2021.

18. The Committee questioned whether the benefits of Integr8 justify the substantial cost of £294 million. The witnesses advised that when the

programme goes live and the system stabilises, the financial benefits will be around £14 million a year. Witnesses were adamant that was a very conservative estimate of what Integr8 will achieve as greater benefits will emerge as the system becomes established and it should lead to significant culture changes. Witnesses advised that there is a benefits realisation plan however a lot of the anticipated benefits are difficult to quantify and a lot of work and effort might be needed to measure the benefits. The Committee is firmly of the view that benefits must be clearly identified and there should be clarity on how those benefits will be achieved, measured and monitored to ensure maximum value for money.

Resolving issues with the quality and completeness of encompass data must be prioritised immediately

19. The encompass programme represents the largest digital transformation initiative undertaken by health and social care services in NI and has a current estimated cost of £1.99 billion. The Committee was told that the benefits of encompass include safer care, improved data quality and improved operational efficiency. However, despite one of the benefits of encompass being cited as improved data quality, the Committee is aware of extensive ongoing reporting issues associated with the system, including the completeness, accuracy and reliability of the data. No clarity was provided as to how long the reporting issues will prevail.

20. The Committee is concerned that the reporting deficit could enable poor performance to go unchallenged in Trusts, restrict the Department of Health’s ability to hold Trusts to account, and reduce the reliability and transparency of key performance statistics in the public domain. This issue must be resolved as a priority to enable the benefits of such significant investment to be maximised, and to ensure performance is monitored effectively for the benefit of healthcare patients.

Summary of Recommendations

Recommendation 1

The Committee recommends that an overarching IT, digital and data strategy is developed within the next 12 months with clear milestones for delivery. The strategy should set out the vision, ambitions and priorities for NICS. This should provide a framework and principles within which Departments operate to drive consistency in approach and compatibility of systems.

Recommendation 2

The Committee recommends that arrangements for collective reporting to the NICS Board are put in place immediately to provide oversight of the approach to technology, data and digital transformation, and ensure sufficient and collective focus of senior leaders within NICS to digital transformation.

Recommendation 3

The finalised AI strategy should be set within a robust governance and risk management framework, ensuring accountability and ownership both at individual Departmental level and at a NICS wide level. It should be accompanied by a roadmap and milestones which set a clear direction for how NICS will harness AI, including specific actions to improve data readiness to enable the potential of modern technologies to be maximised.

Recommendation 4

The Executive Office (TEO) must take the lead in progressing work at pace, collaboratively across NICS, to determine where AI could add the greatest value and deliver efficiencies – both in civil service processes and public facing services. The outcomes of this work should be reported within the next six months.

Recommendation 5

It is vital that once legacy IT risk assessments are completed in all NICS Departments, the findings are reported to each Departmental Board. The Committee recommends these are completed within the next six months.

Departmental Boards must then put in place action plans to manage issues arising and where necessary develop a clear roadmap to upgrade and modernise systems, with legacy IT risk assessments updated and reported annually to Boards.

Recommendation 6

The results of the Departmental legacy IT risk assessments should be collated and reported to the NICS Board annually to ensure that there is a complete understanding of the extent of reliance on legacy IT and the associated risks. This must be used collectively to inform future decision making, including investment decisions.

Recommendation 7

Within the next six months, the Department of Finance should issue guidance to all Departments on how IT and digital programmes and projects are assessed, approved, procured and delivered. It should highlight the need for a greater focus on planning well in advance of contract expiration to ensure that all options, including replacement or extension, and opportunities for cross government collaboration are considered and timely decisions are made on a value for money basis.

Recommendation 8

A clear, timebound action plan should be developed within the next six months for the implementation of actions arising from the Digital Maturity Assessments, including to upskill, create greater capacity and grow the digital profession. Progress must be regularly reported to the NICS Board. There should be clearly defined ownership and responsibility to drive these improvements.

Recommendation 9

Within the next six months, the Department of Finance must ensure that governance arrangements are in place to drive, quantify, monitor and report on the full benefits of Integr8.

Operational benefit owners must be in place in each Department to work alongside the most senior leaders in the NICS throughout the implementation. They must ensure that there is a clear focus on delivery and realisation of the wider changes and benefits of Integr8 - including efficiencies, productivity improvements and cultural change, within individual Departments and collectively across NICS.

Recommendation 10

The anticipated release of resources associated with Integr8 must be carefully planned and documented within the next 6-12 months as roll out commences, to ensure best use of resources and to also be factored into future NICS wide recruitment plans.

Recommendation 11

The Department of Health should ensure that ongoing issues regarding the quality, completeness and availability of performance data following the roll out of encompass are addressed immediately, with a view to having robust data publicly available within the next six months at the latest. In the interim period, the Department and the Trusts, must put in place alternative arrangements to ensure effective performance management and service delivery in accordance with agreed targets.

Introduction

21. The Public Accounts Committee met on 23rd April 2026 to consider the Northern Ireland Audit Office's (NIAO) report "Major IT projects in Northern Ireland". The main witnesses were:

- **Neil Gibson,** Permanent Secretary**,** Department of Finance**;**
- **Paul Duffy,** Deputy Secretary**,** Department of Finance**;**
- **Dorinnia Carville**, C&AG, Northern Ireland Audit Office; and
- **Stuart Stevenson**, Treasury Officer of Accounts, Department of Finance.

22. The Committee also sought written updates from Departments on the case studies featured in the NIAO report on Major IT Projects which included:

    - **Department of Health –** encompass;
    - **Department of Finance –** Integr8 and Land & Property Service's NOVA programme;
    - **Department for Infrastructure –** Planning portal; and
    - **Education Authority -** Education Information Solutions (EdIS).

23. It also sought subsequent written clarification from the Department of Finance and the Executive Office on several matters raised during the oral evidence session.

Background

24. Pressures on public finances, evolving expectations and end user needs mean that reforming public services and improving public sector productivity and efficiency must be a key focus of central government. The successful delivery of new IT systems, digital transformation and modernisation of government services and data is essential to enable efficiencies. However, there are persistent difficulties in effectively managing and delivering these programmes and projects.

25. The NIAO reported in July 2025 on "Major IT Projects in Northern Ireland". In the period April 2022 to March 2025, NI Departments and their ALBs were managing 29 major IT projects with a total estimated whole life cost of £5.2 billion.

26. Most of the projects (24 of 29) were to replace legacy systems and, for almost all, the legacy contract had been extended multiple times with systems operating well beyond their intended life. Continued contract extensions to ensure business continuity were often a necessity due to a lack of strategic planning and delays in implementing new systems. These extensions come with both financial costs and just as importantly, the costs of benefits foregone and a negative impact on quality of service over time.

27. On average across the portfolio of projects, legacy system contracts were extended by almost 8 years. Approximately one third were extended for 10 or more years, with the longest extension being 18 years. Whilst there is a need to maintain continuity of service, the level of reliance on contract extensions is extremely concerning.

28. Legacy IT has a number of potential risks including higher maintenance costs, reduced agility, increased susceptibility to cyber threats and increased difficulties integrating with newer, more advanced systems.

29. In a similar vein to our report on Major Capital Projects[1], insufficient skills and experience across project teams continues to inhibit the delivery of major projects. Having the right people with the right skills and experience in place from the outset is essential.

30. The Audit Office concluded that the current approach to major IT projects represents poor value for money and missed opportunities to realise the benefits that can be delivered through ever-changing and evolving technologies. A NICS-wide approach and accountability is needed to deliver real public service IT and digital transformation.

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[1] Report on Major Capital Projects: Follow-up Report

A more strategic approach is needed to enable the reform and transformation of public services through the delivery of major IT and digitalisation projects

31. Reform and transformation of public services is one of nine priorities for the 2024-27 Programme for Government (PfG) with digital transformation highlighted as an enabling action. However, there is no strategic approach to the design and delivery of major IT enabled change and digitalisation projects across NICS. The Audit Office reported that there is no overarching view of the portfolio of major IT projects or existing IT systems, across central government.

32. NICS previously had an overarching ICT Strategy 2017-21. It was developed to help deliver more modernised services through better use of technology, provide direction for investment across government and included goals to reduce the burden of legacy software. However, the Committee found that this strategy was allowed to wither on the vine, with no evaluation. This is not acceptable and demonstrates a clear lack of accountability.

33. The Committee was told that delivery of this strategy was impacted by COVID – although the strategy spanned several years period before the pandemic - and periods of political instability that followed. The Committee heard from the witnesses that, *"once they had sufficient bandwidth away from those crises",* it was not considered that an update or a review of the strategy was the most appropriate way forward. It was also considered that *"the world had changed"*, the financial situation was not favourable, and another strategy would not be the best use of resources. It is clear that there is no intention or appetite among senior leaders to develop an overarching IT or digital strategy. The witnesses advised the Committee that IT and digital projects are too complex and too diverse to facilitate a common strategy but there may be merit in a set of consistent principles.

34. The Committee was frustrated by the responses and the unwillingness to work and deliver collectively. It has serious concerns over the current fragmented approach, and lack of appetite to address systemic issues. Members were told that there is a bandwidth limit when it comes to the time

and number of issues that can be covered at NICS Board and Permanent Secretary Group meetings. The Committee does not accept this from senior leaders of public services - technological and digital transformation needs prioritised and progressed in a strategic and co-ordinated way. As a collective, Permanent Secretaries need to do more to deliver on cross-cutting issues affecting public service delivery and value for money including technology, digitalisation and data, and learning from other jurisdictions that have established overarching strategies and roadmaps.

35. The Committee recognises that a one size fits all approach is not appropriate and individual Departments should have the detailed knowledge of the IT solutions they require for their services. However, an overarching strategy would sit over any individual Departmental strategies and provide a shared, collaborative framework – offering clarity, not constraint. Importantly, an overarching strategy would focus on the needs of public service users and facilitate a way for Departments to work together to address those needs most effectively.

36. The NICS needs to articulate a clear vision, identify priorities and set consistent principles to ensure interoperability of systems, exploit potential synergies and avoid unnecessary duplication of effort. This is essential to unlock the potential of new technologies, and to delivering on the digital transformation ambitions of the PfG.

Recommendation 1

The Committee recommends that an overarching IT, digital and data strategy is developed within the next 12 months with clear milestones for delivery. The strategy should set out the vision, ambitions and priorities for NICS. This should provide a framework and principles within which Departments operate to drive consistency in approach and compatibility of systems.

Recommendation 2

The Committee recommends that arrangements for collective reporting to the NICS Board are put in place immediately to provide oversight of the approach to technology, data and digital transformation, and ensure sufficient and collective focus of senior leaders within NICS to digital transformation.

NICS must harness the potential opportunities and manage the risks of Artificial Intelligence to deliver efficiencies

37. The Committee asked for an update on the Office of AI and Digital, and the strategy and road map for AI adoption. The Committee was disappointed that, despite discussions by Permanent Secretaries about the structure of the AI and Digital unit and the future of the Chief Digital Office role, witnesses were unable to provide any detail as responsibility rests with the Executive Office (TEO). The Committee subsequently sought written evidence from TEO.

38. TEO advised that a draft AI Strategy has been developed under the leadership of the Chief Scientific and Technology Adviser, working closely with Departments, industry and academia. The draft has now received Ministerial agreement to proceed to public consultation. The Strategy is intended to provide a clear and consistent framework to guide AI adoption across the NICS. It is not designed as a rigid compliance-based mandate, but will establish strong expectations, common principles and governance approaches to support consistent and responsible uptake across Departments.

39. The Office of AI and Digital is a central co-ordinating function, supporting collaboration, knowledge-sharing and capability building across Departments. This model is intended to balance central leadership with Departmental flexibility. The Committee contends that if a strategy and central co-ordinating function is appropriate for AI, there is merit in pursuing a similar model for IT, digital and data.

40. The Committee is concerned that NI is lagging behind other jurisdictions and there is a risk of a disjointed approach to AI. Individual Departments are developing their own bespoke strategies in the absence of centrally agreed principles, guard rails and ethics around AI.

41. Quality data is one of the essential foundations to ensuring that AI ambitions are met. Witnesses highlighted that one of the major threats to harnessing AI is the NICS reliance on bespoke legacy systems, many of which cannot be interrogated with AI tools because much of the data is not in a suitable format, thus reinforcing the need to have clarity on the continued use of legacy systems that does not currently exist sufficiently in the Committee's view. The Committee is very concerned that AI ambitions and the ability to maximise the use of modern technologies are at risk due to persistent and long–standing barriers including out-of-date legacy systems, poor data quality, and siloed working.

Recommendation 3

The finalised AI strategy should be set within a robust governance and risk management framework, ensuring accountability and ownership both at individual Departmental level and at an NICS wide level. It should be accompanied by a roadmap and milestones which set a clear direction for how NICS will harness AI, including specific actions to improve data readiness to enable the potential of modern technologies to be maximised.

Recommendation 4

TEO must take the lead in progressing work at pace, collaboratively across NICS, to determine where AI could add the greatest value and deliver efficiencies – both in civil service processes and public facing services. The outcomes of this work should be reported within the next six months.

The Committee was shocked to hear that the full extent of reliance on legacy IT systems and the associated risks is not known

42. The Audit Office reported that the majority (24 of 29) of the major IT programmes and projects in the Departmental portfolios are to replace legacy IT systems which present challenges and risks. These are IT systems with outdated hardware, software, infrastructure, and often heavily customised applications. These systems are operating well beyond their intended lives and remain critical to the management and delivery of essential services. Legacy systems can become inefficient, provide poor service delivery to citizens and pose significant security risks, high maintenance costs, and block digital transformation.

43. The risks associated with extended reliance on legacy systems have been well documented in the written evidence provided by the Education Authority on the Education Information Solutions (EdIS) programme. These have included increasing resilience and cyber security risks; lost opportunities from not delivering enhanced functionality and efficiency benefits, including reductions in administrative workload for teachers and school leaders; delays in system wide data analytics and insight, limiting evidence-based policy development and strategic oversight; and delays in service improvements and operational efficiencies for Special Educational Needs and wider pupil support services.

44. In contrast to England, where a legacy IT risk assessment framework has operated for several years, there is a lack of understanding in NI of the extent to which legacy IT systems are used or the risks they pose to the effective and efficient delivery of services.

45. The Committee heard that since the NIAO report was published in July 2025 some progress has been made and that work is underway to complete legacy IT assessments across Departments and ALBs. DoF has identified some 89 legacy IT systems in the DoF family and calculated the risk associated with each legacy system. The Committee was pleased to learn that this has been

discussed at Departmental Board, and the Committee was told that they have actions in place to address those considered to be highest risk.

46. Understanding the scale of and state of legacy technology and how it affects service delivery is essential to manage risks as well as informing decisions to direct investment towards the most critical areas in need of modernisation. The Committee is deeply concerned that the extent of reliance on legacy IT systems across NICS was not known and that witnesses considered having a central picture of that would be unwieldy. There was no commitment to use the outcomes of the legacy risk assessment to inform collective decision making and investment across NI. The silo mentality has left the Committee questioning the ability of senior civil servants to successfully lead digital transformation.

Recommendation 5

It is vital that once legacy IT risk assessments are completed in all NICS Departments, the findings are reported to each Departmental Board. The Committee recommends these are completed within the next six months.

Departmental Boards must then put in place action plans to manage issues arising and where necessary develop a clear roadmap to upgrade and modernise systems, with legacy IT risk assessments updated and reported annually to Boards.

Recommendation 6

The results of the Departmental legacy IT risk assessments should be collated and reported to the NICS Board annually to ensure that there is a complete understanding of the extent of reliance on legacy IT and the associated risks. This must be used collectively to inform future decision making, including investment decisions.

Extensive reliance on multiple contract extensions for legacy systems represents poor value for money

47. The NIAO report highlighted the extensive reliance on legacy systems and continued contract extensions due to a lack of strategic planning and delays in implementing new systems. Across the portfolio, on average contracts were extended by almost eight years. The Committee noted with particular concern that one contract extension in the Department of Agriculture, Environment and Rural Affairs was for 18 years.

48. The Committee has previously highlighted the risks associated with ongoing contract extensions and the need for strong contract management and strategic planning. It is concerned that lessons have not been learned. Witnesses told the Committee that there can be several reasons why contract extensions are necessary. These included the complexity of replacing a system, availability of funding and ensuring you have the right personnel in place. Witnesses also highlighted that, once the discovery phase is complete, it is very common to encounter changes to the complexity, scale and size of projects.

49. The Committee was disappointed by what it considers to be a complete disregard for the risks associated with contract extensions and opportunities lost. It was told that the extensions ensure that services are still being delivered, they are just not as good as they could be. Witnesses also stated that very often replacement systems are more expensive. This combined with commentary that there is a culture of aversion to change left the Committee with the impression that it was easier for civil servants to continue relying on legacy systems. The Committee contends that managing any resistance to change is part of the role of senior leaders. The Committee was appalled by what it considered to be a complacent attitude and little recognition of the lost benefits to users of having modern, efficient systems in place at an earlier juncture and the importance of getting the best value for public money.

50. Witnesses highlighted that lessons learned include that very precise, line by line contracts do not work as well in the IT space, where more of a

partnership is needed over a longer period of time. For example, the Audit Office report found that it takes on average six and a half years to deliver an IT project. Witnesses suggested that in order to get the most from new systems and partnerships, longer contracts may be better - when continuous improvement and new functionality is built into that system. For the Committee this highlights the importance of having appropriately skilled staff in place throughout the life of a project, to ensure that the public sector is an intelligent customer and gets the most from contracts in terms of continuous improvements and updates.

Recommendation 7

Within the next six months, the Department of Finance should issue guidance to all Departments on how IT and digital programmes and projects are assessed, approved, procured and delivered. It should highlight the need for a greater focus on planning well in advance of contract expiration to ensure that all options, including replacement or extension, and opportunities for cross government collaboration are considered and timely decisions are made on a value for money basis.

Despite previous recommendations capacity and capability issues continue to impact on the design and delivery of all major projects

51. A recurring issue in the delivery of major projects is capacity and capability difficulties which impact on the NICS ability to act as an intelligent customer from the very outset of projects. Witnesses advised that there is a constant challenge to upskill, recruit and retain staff. The Committee heard that there is a finite supply of skills resulting in both NICS and their suppliers struggling to get the critical skills required.

52. As far back as 2010, the PAC recommended that a register of public sector staff with project and programme management skills and experience be put in place to ensure that future projects would benefit from an experienced pool of staff. Over fifteen years later this has not been fully implemented. The

Committee has now been told that once Integr8 is in place, in 2028, NICS will be in a position to more clearly identify skills gaps.

53. The development of a Project Delivery profession has been discussed for the past decade. However, whilst the Committee heard that there is a lot of work ongoing to develop the profession, create job families and clearer career pathways, this is not a new issue, and the Committee considers that progress has been unacceptably slow. Despite previous commitments that a framework was in place to secure the right skills to deliver major projects effectively and efficiently, skills shortages and under-resourcing of project teams continue to be one of the most pervasive issues considered by this Committee. The Committee is increasingly alarmed by the persistent failure of senior leaders across NICS to collectively address this long-standing issue impacting on effective and efficient delivery across the system.

54. Given the known capacity and capability challenges inhibiting the successful delivery of major projects, the Committee is concerned that situations continue to be allowed to develop whereby so many IT systems need to be replaced across NICS at the same time. There is a clear need to plan, prioritise and make best use of available skills.

55. In addition to project and contract management skills, there is a need for specific technical skills including digital skills. Skills in business change and stakeholder engagement are also essential to ensure buy-in to change and transformation. Witnesses told the Committee that going forward all jobs will have a digital component and that is why the People Strategy includes a commitment to improve digital skills and create an empowering digital environment in NICS. Digital Maturity Assessments have been completed across Departments and looked at current skills. Recommendations and actions are now being implemented to upskill, create greater capacity and grow the digital profession. The Committee also heard that transformation funding will enable the recruitment of a Chief Digital Officer. The Committee is concerned that this appears to be a short-term appointment and considers that the digital skills necessary to adapt to such a fast paced and changing environment must be appropriately resourced and embedded within the NICS.

These developments are a step in the right direction, but more needs to be done to advance digital skills at pace across Departments.

Recommendation 8

A clear, timebound action plan should be developed within the next six months for the implementation of actions arising from the Digital Maturity Assessments, including to upskill, create greater capacity and grow the digital profession. Progress must be regularly reported to the NICS Board. There should be clearly defined ownership and responsibility to drive these improvements.

There must be greater clarity across major IT and digitalisation projects on the anticipated benefits, and continued monitoring to ensure benefits are achieved

56. The Audit Office report included five major IT programmes/projects as case examples one of which was Integr8. Integr8 is a central government IT-enabled transformation programme led by the Department of Finance. It aims to transform how Finance and HR services are delivered across NICS and will replace the existing HR Connect and Account NI systems with a single integrated cloud-based solution. The Account NI contract expired in 2018, while the HR Connect contract expired in 2021.

57. The Committee highlighted that Integr8 has been a long time in the making and has existed under various guises over the past decade. Witnesses accepted that it had a stop-start history. The Committee heard that there were several reasons for that including the impact of COVID resulting in resources being diverted, and in 2023-24 the project was temporarily stood down due to a lack of funding.

58. The witnesses assured the Committee that the programme is now well and truly underway. Witnesses were confident that the £294 million estimate to design, build, implement and run the service for all nine Departments until 2034 would not be exceeded and that there has been enough due diligence

and pre-market engagement to provide assurances that the cost estimate is robust.

59. The Committee questioned whether the benefits of Integr8 justify the substantial cost of £294 million. The witnesses advised that when the programme goes live and the system stabilises, the financial benefits will be around £14 million a year.

60. The witnesses were adamant that the £14 million a year saving was a very conservative estimate of what Integr8 will do as greater benefits will emerge as the system becomes established and it should lead to significant culture changes. Benefits are expected to include access to and better use of data, reporting capabilities and freeing up talent across the service to do other activities. Witnesses advised that there is a benefits realisation plan however a lot of the anticipated benefits are much more difficult to quantify and a lot of work and effort might be needed to measure the benefits. The Committee is firmly of the view that benefits must be clearly identified and there should be clarity on how those benefits will be achieved, measured, monitored and reported on to ensure maximum value for money.

61. The Committee welcomed the fact that the Integr8 team was making use of ‘critical friends’ and learning lessons from other jurisdictions and assurances that, rather than working in silos, the project was very much driven by a co-design approach with the project team engaging with users across all Departments. For the Committee this reinforced the added benefit that comes from having a central vision and driver that everyone works towards collectively.

62. The Committee also learned that the Integr8 solution will be, in a sense, a piece of software that will be updated every quarter with new functionality, including developments in AI capabilities, therefore continuous improvement is built into the system.

63. The Committee also learned that one of the big lessons from the previous Account NI and HR Connect systems is that they were heavily customised to meet Civil Service needs therefore they are heavily reliant on suppliers and

changes are costly. Officials assured the Committee that the approach being taken was very much 'adopt-not-adapt' and that any modifications would not be tolerated as the real efficiency comes from standardisation and using out-of-the-box technology. This requires Departments to think about changing how they work to suit a standardised off-the-shelf system solution. The Committee were told that this creates a challenge for Departments, because it is more about behavioural and cultural change, but is essential to make Integr8 the most cost-effective, efficient service.

Recommendation 9

Within the next six months, the Department of Finance must ensure that governance arrangements are in place to drive, quantify, monitor and report on the full benefits of Integr8.

Operational benefit owners must be in place in each Department to work alongside the most senior leaders in the NICS throughout the implementation. They must ensure that there is a clear focus on delivery and realisation of the wider changes and benefits of Integr8 - including efficiencies, productivity improvements and cultural change, within individual Departments and collectively across NICS.

Recommendation 10

The anticipated release of resources associated with Integr8 must be carefully planned and documented within the next 6-12 months as roll out commences, to ensure best use of resources and to also be factored into future NICS wide recruitment plans.

Issues with the quality and completeness of encompass data must be resolved immediately

64. The encompass programme represents the largest digital transformation initiative undertaken by health and social care services in Northern Ireland and has a current estimated cost of £1.99 billion.

65. The Committee is disappointed that elements of core scope remain to be delivered including Children's Social Care, Child Health System replacement, Screening and GP Out of Hours. The Committee was told that a full evaluation of the remaining elements is currently underway and an impact on cost projections has been identified. The Committee would like to see a copy of the evaluation once complete.

66. The Committee was told that the benefits of encompass include safer care, improved data quality and improved operational efficiency. However, despite one of the benefits of encompass being cited as improved data quality, the Committee is aware that there is extensive ongoing reporting issues associated with the system, including the completeness, accuracy and reliability of the data. Written evidence to the Committee advised that a comprehensive programme involving all stakeholders to remedy data flow and reporting issues is ongoing. No clarity was provided as to how long the reporting issues will prevail. Given that the roll out of encompass commenced in November 2023, with the final Trust going live in May 2025, it is not acceptable that these issues have been allowed to persist. It considers that the reporting deficit could enable poor performance to go unchallenged in Trusts, restricts the Department of Health's ability to hold Trusts to account, and reduces the reliability and transparency of key performance statistics in the public domain.

Recommendation 11

The Department of Health should ensure that ongoing issues regarding the quality, completeness and availability of performance data following the roll out of encompass are addressed immediately, with a view to having robust data publicly available within the next six months at the latest. In the interim period, the Department and the Trusts, must put in place alternative arrangements to ensure effective performance management and service delivery in accordance with agreed targets.

Links to Appendices

Appendix 1: Minutes of Proceedings

View Minutes of Proceedings of Committee meetings related to the report

Appendix 2: Minutes of Evidence

View Minutes of Evidence from evidence sessions related to the report

Appendix 3: Correspondence

View correspondence issued and received related to the report

Appendix 4: Other Documents

View other documents related to the report

Appendix 5: List of Witnesses that gave evidence to the Committee

- **Mr Neil Gibson,** Permanent Secretary, Department of Finance;
- **Mr Paul Duffy,** Deputy Secretary, Department of Finance;
- **Ms Dorinnia Carville**, Northern Ireland Audit Office; and
- **Mr Stuart Stevenson**, Department of Finance.

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