

# Independent Review of icare's Improvement Program

*Progress in Addressing the McDougall and GAC Recommendations*

Prepared by Promontory Australia, a business unit of IBM Consulting

## Eighth Quarterly Update

30 November 2023

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## Independent Review of icare's Improvement Program

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*Promontory Australia, a business unit of IBM Consulting, has been engaged to provide independent assurance over icare's Improvement Program as it relates to the McDougall and GAC Recommendations.*

*These independent assurance services include reviewing and providing a report on the establishment of the Improvement Program. They also include preparing quarterly updates that provide assurance over icare's progress in implementing the Improvement Program as it relates to the McDougall and GAC Recommendations.*

*This report is our eighth quarterly update on the progress of the Improvement Program.*

*Representatives of icare have reviewed a draft version of this report for the purposes of identifying possible factual errors. Promontory is responsible for final judgement on all views and information in this report.*

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## Abbreviations & Definitions

Abbreviation	Definition
3LOD	Three Lines of Defence
ALCO	Asset and Liability Committee
ARC	Board Audit and Risk Committee, now the Board Risk Committee (BRC) and Board Audit Committee (BAC)
BAC	Board Audit Committee (previously part of ARC)
BAU	Business As usual
BRC	Board Risk Committee (previously part of ARC)
CEO	Chief Executive Officer
CIO	Chief Information Officer
Closure Pack	A pack of documents provided to Promontory for assessment, that includes a description of the actions icare has undertaken as part of a Phase and evidence that demonstrates the effectiveness of those actions
CPO	Chief Procurement Officer
CRM	Customer Relationship Management
CRO	Chief Risk Officer, now GE Risk and Governance.
CSA	Control Self-Assessment
CSAT	A measure used to track customer satisfaction
CSP	Claims Service Provider
CXM	Customer Experience Measure (previously NXM)
Definitions of Done	The tasks which need to occur for a Milestone to be Completed
EI	Enterprise Improvement
Eighth Quarterly Update or Update	Our eighth update dated 30 November 2023 on icare's progress in addressing the Recommendations of the Reviews
EI Plan	Enterprise Improvement Plan, which outlines the remediation actions that will be taken to address the relevant Recommendations
EI SteerCo	The Steering Committee for the EI Sub-Program
EI Sub-Program	Enterprise Improvement Sub-Program
EML	Employers Mutual NSW Limited
EVoC	Enterprise View of Change
Final Establishment Report	Our second report dated 28 February 2022, which provides a final description of how icare has set up the Improvement Program
First Quarterly Update	Our first update dated 28 February 2022, which provides a summary of icare's progress in addressing the Recommendations of the Reviews
GAC	Governance, Accountability and Culture
GAC Recommendations	The 76 recommendations made in the GAC Report that are relevant to icare

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Abbreviation	Definition
GAC Report	The report delivered at the conclusion of the GAC Review
GAC Review	PwC's Independent Review of icare's governance, accountability and culture
GE	Group Executive
GE Risk and Governance	Group Executive Risk and Governance, formerly CRO
GET	Group Executive Team
GM	General Manager
HR	Human Resources
HUGO	icare's internal intranet
ICAC	Independent Commission Against Corruption
icare	Insurance and Care NSW
Improvement Program	icare's program of work to, among other things, address the McDougall Recommendations and GAC Recommendations
Initiatives	High-level remedial activities to be undertaken within the Streams
Interim Establishment Report	Our first report dated 6 December 2021, which provides an initial description of how icare has set up the Improvement Program
KPI	Key Performance Indicator
LTCS	Lifetime Care and Support
McDougall Recommendations	The 31 recommendations made in the McDougall Report that are relevant to icare
McDougall Report	The report delivered at the conclusion of the McDougall Review
McDougall Review	Statutory review of icare and the State Insurance and Care Governance Act
Milestones	The specific actions that icare will complete within the Initiatives
Module	CRM complaints module
NI Scheme	Workers Compensation Nominal Insurer Scheme
NII	Nominal Insurer Improvement
NII Plan	Nominal Insurer Improvement Plan, which outlines the remediation actions that will be taken to address the relevant Recommendations
NII Sub-Program	Nominal Insurer Improvement Sub-Program
NI SteerCo	The Steering Committee for the NII Sub-Program
NSW	New South Wales
PMES	People Matters Employee Survey
Phase or Initiative Phase	High-level collection of activities within an Initiative. Each Initiative has Design, Implement and Embed phases
Plans	The EI Plan and the NII Plan
PRC	People and Remuneration Committee

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Abbreviation	Definition
Program	The Improvement Program
Promontory or we	Promontory Australia, a business unit of IBM Consulting
RAS	Risk Appetite Assessment
Recommendations	The McDougall Recommendations and GAC Recommendations
Reporting Date	31 October 2023
Reporting Period	The period from 1 August 2023 to 31 October 2023
Reports	The McDougall Report and GAC Report
Reviews	The McDougall Review and GAC Review
RFP	Request for proposal
Risk Connect	icare's risk management system
RiC	Risk in Change
RMI	Risk Maturity Index
SAP	System Applications and Products
Scheme Agents	Outsourced service providers
SICG Act	State Insurance and Care Governance Act 2015
SIRA	State Insurance Regulatory Authority
Seventh Quarterly Update or Last Update	Our seventh update dated 31 August 2023 on icare's progress in addressing the Recommendations of the Reviews
SLT	Senior Leadership Team of icare
Streams	Streams of work, which are thematic areas of work icare is completing to address the Recommendations
Sub-Programs	The EI Sub-Program and NII Sub-Program



## Executive Summary

This is Promontory's Eighth Quarterly Update, which sets out our independent assurance over icare's Improvement Program. This update covers our observations on icare's progress on the Improvement Program during the period from 1 August 2023 to 31 October 2023.

### Background

icare is responsible for managing over a dozen insurance and care schemes within NSW, the largest of which is the Workers Compensation Nominal Insurer Scheme. As a provider of workers compensation, icare is regulated by the State Insurance Regulatory Authority.

Issues with icare's compliance and performance in recent years resulted in several reviews, including the McDougall and the Governance, Accountability and Culture (**GAC**) reviews, which made a series of findings in relation to icare's operations, governance, stakeholder management and risk management frameworks.

The McDougall and GAC reviews both made a set of recommendations to strengthen icare's culture, governance and accountability framework, upgrade icare's risk awareness, risk management and risk capability, and bring about a greater focus on customer outcomes.

Collectively, the recommendations represent an ambitious and far-reaching program of change. icare is addressing the recommendations made by the reviews through its Improvement Program.

The Improvement Program consists of two main sub-programs:

- the Enterprise Improvement (**EI**) Sub-Program, which aims to address recommendations that apply across the whole icare organisation; and
- the Nominal Insurer Improvement (**NI**) Sub-Program, which aims to address recommendations that apply to the Workers Compensation Nominal Insurer Scheme.

Under each of the Sub-Programs, icare has developed a plan that outlines the initiatives that will be taken to address the recommendations.

Promontory has been engaged to provide independent assurance over the progress of the Improvement Program based on the recommendations of the McDougall and GAC reviews.

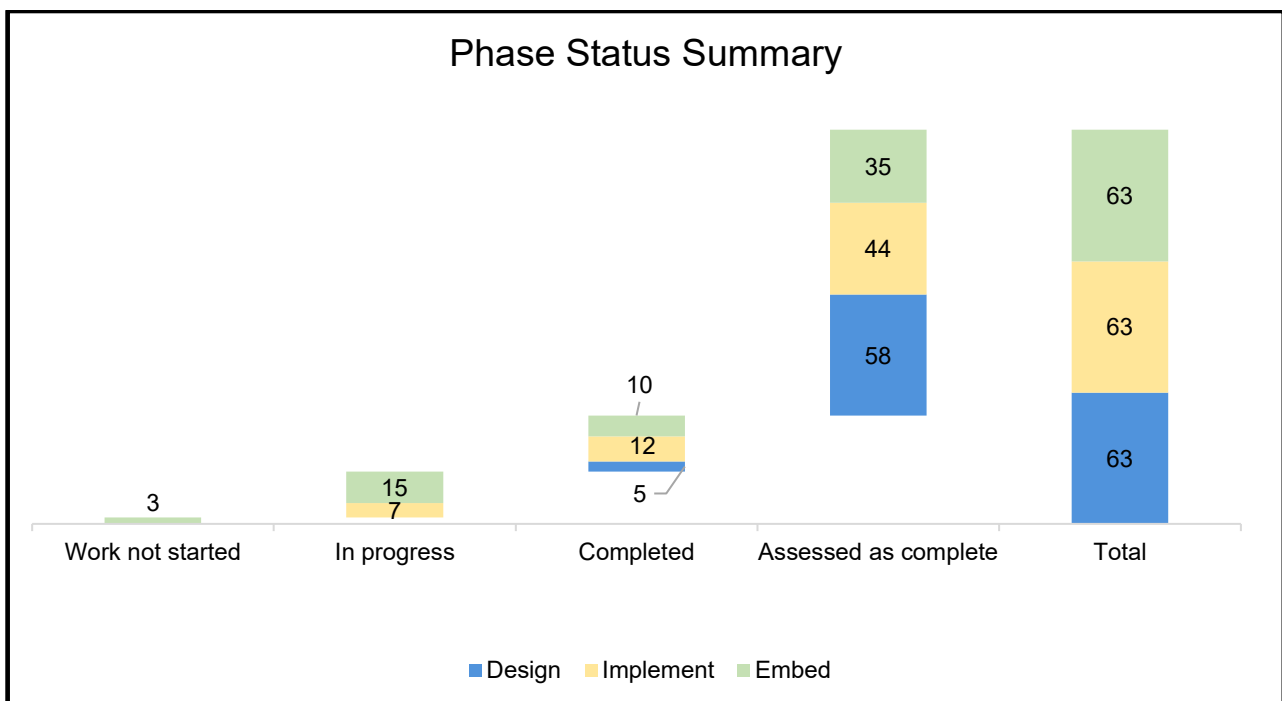
Progress on Implementation

As at 31 October 2023:

- 100% of the Initiatives had commenced or completed work on the Design Phase, with over 90% assessed by Promontory as complete and effective;
- 100% of the Initiatives had commenced or completed work on the Implement Phase, with 70% assessed by Promontory as complete and effective;
- 95% of Initiatives had initiated or completed work on the Embed Phase, with over 55% assessed by Promontory as complete and effective; and
- 45% of the GAC and McDougall recommendations have been assessed by Promontory as complete and effective.

The progress of the Improvement Program is summarised in Figure 1<sup>1</sup>.

**Figure 1: Initiative Phase status summary**



<sup>1</sup> Figure 1 provides a summary of the Initiatives that address Recommendations within Promontory’s scope of coverage.

### Program Development and Focus Areas

During the Reporting Period, icare continued to make progress towards the completion of the Improvement Program. In the EI Sub-Program, the Procurement and Governance Streams have concluded all Embed activities and icare is now progressing towards the final stages of Stream closure. Concurrently, Embed activities within the NII Sub-Program have been initiated for all Streams.

With the Program nearing its final phase with a scheduled conclusion in mid-2024, the priority for icare is to continue to work through some of the more complex and challenging Initiatives and maintain a strong and consistent effort through to completion.

It is important for icare to take steps now so that in the new year it can retain momentum and commitment to the work that remains to be done as part of the Program. This will ensure that the final phase sees continued delivery of high quality and sustainable outcomes.

In this update, we emphasise three areas that require icare's focus in the coming period:

- Embedment of Risk Profiles and Supporting Processes;
- Complaints Management; and
- Maintaining Momentum.

### Embedment of Risk Profiles and Supporting Processes

The effective establishment of risk profiles for business units is a cornerstone of sound risk management. The GAC Report recommended that icare undertake a robust bottom-up approach to create, reinforce, and regularly refresh risk profiles for each business unit. While icare has made good progress by documenting key risks for each business unit within Risk Connect, challenges persist in fully embedding the processes that support the review of the risk profiles (including controls assurance activities and maintenance of the Obligations Register).

icare will need to fully embed these processes and ensure clear ownership and understanding among those responsible for their execution. icare will benefit from increased urgency in progressing this work, aiming to ensure changes in risk management practices endure and align with the Recommendations.

Embedment of this work demands consistency, ownership, and commitment across all business units.

### Complaints Management

icare has made good progress in addressing the shortcomings identified in the GAC Report with respect to its management of complaints. Notably, icare has developed a robust Complaints Framework and Policy, implemented a new Customer Relationship Management complaints module, as well as uplifted complaints capability for all staff.

While progress has been made, challenges have emerged, particularly with respect to the adoption of the new complaints system by Claims Service Providers. Importantly, icare is focusing on this issue and taking steps to address their concerns. In this regard, icare has shown a commitment to transparency and accountability through the effective monitoring and reporting on these challenges across multiple Program governance forums.

It will be important for icare to ensure ongoing progress by continuing to engage with the Claims Service Providers and to provide them with the necessary support. Additionally, we emphasise the significance of icare's ongoing commitment to monitoring progress and achieving the objectives outlined in the remediation plan. Given the potential downstream impacts resulting from any delays in the delivery of the complaints module, it will be important for icare to maintain a vigilant approach in effectively managing these challenges.

### Maintaining Momentum

The priority for icare at this point of the Program is to maintain a strong focus on delivering quality and sustainable outcomes. While we have not observed any loss of momentum to date, it is a common risk at this stage of large-scale transformation programs.

Although Program outcome measures for both the EI and NII Sub-Programs have been drafted, measures for the NII Sub-Program require further refinement. Once these measures have been finalised, icare should consider how these measures will be monitored and reported post Program closure to ensure outcomes are sustained. Clear accountability, across the 3LOD, will also be critical for sustaining Program outcomes and ensuring the hard-won changes 'stick and stay'.

The coming year provides an opportunity for icare to continue to engage and re-energise staff as it moves towards the Program's completion. This renewed push should centre on the outcomes and the positive impact they will have on icare and those icare serves. These efforts will help maintain momentum and staff buy-in and help minimise any potential change fatigue.

Strong support from the Board and the Executives with an increased emphasis on 'Tone from the Top' regarding the need to deliver at quality will also help drive staff momentum. The Board and Executives have an important role in actively challenging evidence of embedment to ensure a successful transition to business as usual, and this scrutiny should extend to governance forums and leadership interactions.

# 1. Introduction

## 1.1. Background

In 2015 the New South Wales (**NSW**) Government passed the State Insurance and Care Governance Act (**SICG Act**) which created Insurance and Care NSW (**icare**). icare was established as a NSW Government Agency governed by an independent Board of Directors who are appointed by the responsible Minister.

The SICG Act gives icare responsibility for managing over a dozen insurance and care schemes within NSW, the largest of which is the Workers Compensation Nominal Insurer Scheme (**NI Scheme**). The NI Scheme is responsible for the provision of workers compensation services and makes payments that cover the lost wages and medical expenses of workers who are injured or become sick as a consequence of their work.

The State Insurance Regulatory Authority (**SIRA**) is the Government organisation responsible for regulating the NSW workers compensation system and is also the regulator for workplace health and safety in NSW. icare is regulated by SIRA.

Concerns about icare's compliance and performance in recent years resulted in a number of reviews of its operations, governance, stakeholder management and risk management frameworks. These reviews include:

- the *icare and State Insurance and Care Governance Act 2015 Independent Review (McDougall Review)*, which involved a 'root and branch' examination of icare; and
- *PwC's Independent Review of icare governance, accountability, and culture (GAC Review)*, which considered governance, accountability, and culture across the whole of icare.

The McDougall Review culminated in a report (**McDougall Report**) which was published on 30 April 2021.<sup>2</sup> The McDougall Report identified a number of findings which were attributed, in part, to icare's determination to effect speedy change, which gave rise to procedural and cultural defects that resulted in a disregard for practices and procedures. The McDougall Report made 31 recommendations relevant to icare (**McDougall Recommendations**).

The GAC Review resulted in a report (**GAC Report**) which was published on 1 March 2021.<sup>3</sup> The GAC Report made a number of findings, which included a lack of discipline in delivering timely and quality outcomes to customers, and the need for significant improvement in icare's risk and compliance framework. The GAC Report contains 76 recommendations relevant to icare (**GAC Recommendations**).

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<sup>2</sup> The McDougall Report is available [here](#).

<sup>3</sup> The GAC Report is available [here](#).

## 1.2. The Improvement Program

In response to the McDougall and GAC Reviews (**Reviews**), icare acknowledged the mistakes of the past and accepted the findings and conclusions of the Reviews. icare also committed to taking action to address the issues highlighted in the Reviews by uplifting its processes, behaviours, and culture to meet community expectations.

The McDougall Recommendations and GAC Recommendations (together, the **Recommendations**) are being addressed through icare's Improvement Program (**Program** or **Improvement Program**). The Program is focused on three key areas:

- improving risk and governance to meet community and regulatory expectations;
- improving performance, particularly by getting injured workers back to work sooner and reducing internal costs; and
- driving an accountable culture.

The Program consists of two sub-programs (**Sub-Programs**):

- the Enterprise Improvement Sub-Program (**EI Sub-Program**), which aims to address the Recommendations of the Reviews that apply across the whole icare organisation; and
- the Nominal Insurer Improvement Sub-Program (**NII Sub-Program**), which aims to address the Recommendations of the Reviews that apply to the NI Scheme.<sup>4</sup>

Of the 107 Recommendations made by the Reviews, 98 are being addressed through the EI Sub-Program, and eight are being addressed through the NII Sub-Program.

For each of the Sub-Programs a separate plan has been developed that outlines the remediation actions that will be taken to address the relevant Recommendations. These plans have a three-level structure:

- streams of work, which are thematic areas of work icare is completing to address the Recommendations (**Streams**);
- initiatives, which are the high-level remedial activities to be undertaken within the Streams (**Initiatives**); and
- milestones, which are the specific actions that icare will complete within the Initiatives (**Milestones**).

The Initiatives are divided into three phases (**Phase** or **Initiative Phase**): Design, Implement or Embed. The Design Phase involves designing an approach to address the Initiative's outcomes, the Implement Phase involves the initial roll-out or launch of that approach, and the Embed Phase

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<sup>4</sup> Some recommendations made by other reviews are also being addressed through the EI Sub-Program and NII Sub-Program, but these recommendations are outside the scope of our engagement.

involves achieving demonstrated operational effectiveness of the approach. Each of the Milestones are classed as being in one of those three Phases.

Further details on the Enterprise Improvement Plan (**EI Plan**) and the Nominal Insurer Improvement Plan (**NII Plan**) can be found in our report of 28 February 2022 which provides more details on how icare has set up the Improvement Program.

### **1.3. Promontory's Role**

In November 2021, after a public tender process, Promontory (**Promontory** or **we**) was appointed to provide independent assurance over the progress of the Program as it relates to the Recommendations of the Reviews. Promontory's assurance services over the Program include:

- monitoring the status and progress of the Program;
- assessing both whether each Phase of an Initiative has been completed in line with the relevant Plans, and whether each Recommendation has been addressed by the relevant Initiatives; and
- providing quarterly updates which report on our findings.

As part of Promontory's monitoring activities over the Program we attend tripartite meetings with icare and SIRA. In addition, icare provides monthly updates on Program progress to SIRA through the SIRA Principal Executive meeting.

We finalised our first two reports in relation to the Program on 6 December 2021 (**Interim Establishment Report**) and 28 February 2022 (**Final Establishment Report**). These reports provide a summary of how icare set up the Program and detail our role in providing independent assurance over it.<sup>5</sup> We also finalised our first update on icare's progress in addressing the Recommendations of the Reviews (**First Quarterly Update**) in conjunction with our Final Establishment Report.

This is our Eighth update (**Eighth Quarterly Update** or **Update**) on icare's progress addressing the Recommendations of the Reviews. Similar to our last update (**Seventh Quarterly Update** or **Last Update**), it highlights key challenges to the successful execution of the Program and summarises icare's progress in addressing the Recommendations of the Reviews.

This Update focusses on developments that occurred from 1 August 2023 to 31 October 2023 (**Reporting Period**). The status of icare's progress against the Recommendations is reported as of 31 October 2023 (**Reporting Date**).

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<sup>5</sup> Our Final Establishment Report also contains details on the schemes managed by icare as well as further information on the findings from the Reviews.

## 1.4. Report Structure

The remainder of this report is structured as follows:

- Chapter 2 sets out our observations on how the Program is progressing, aspects of program management, and the areas on which icare should focus moving forward;
- Chapter 3 summarises the progress icare has made in addressing the EI and NII Plans;
- Chapter 4 provides details about Promontory's assessment of completed Phases within Initiatives during the Reporting Period; and
- Chapter 5 provides details about Promontory's assessment of Recommendations completed during the Reporting Period.

This report also includes an Appendix, which details the mapping of the Recommendations to Initiatives within each of the EI and NII Plans (**Plans**).



## 2. Focus Areas

During the Reporting Period, icare continued to make progress towards the completion of the Improvement Program. Within the EI Sub-Program, all Embed activities in the Procurement and Governance Streams have concluded and icare is now progressing towards the final stages of Stream closure. Concurrently, Embed activities within the NII Sub-Program have been initiated for all Streams.

The Reporting Period also marked the completion of several significant activities, including:

- presentation of the results of icare's culture review to the Board and Board People and Remuneration Committee (**PRC**);
- completion of the Expense Savings Review within the Enterprise Sustainability Stream, a critical step towards closure of the associated Recommendation; and
- the onboarding of DXC, the final Claims Service Provider (**CSP**) in the Nominal Insurer's new claims model.

icare continued to monitor and take action, where required, to address the focus areas identified in our Last Update. This included:

- continuing the focus on sustainability in discussions at governance forums;
- finalising the Sustainability Closure Pack Template and piloting the Pack for the Governance Stream;
- continuing to monitor CSP capacity and capability, including as part of the onboarding of new CSPs and during monthly performance meetings; and
- undertaking further analysis and communicating culture and engagement survey results.

There are seven months remaining until the Program's scheduled conclusion in mid-2024. It is therefore an appropriate time to consider how to position the Program for success as it enters the final phase. Many EI Sub-Program Streams are nearing closure. However, much still remains to be achieved during this final stretch of the Program, and some Streams face challenges with the requirements of the Embed Phase. It is important for icare to take steps now so that in the new year it can maintain momentum in the progress of the Program and ensure that the final phase sees continued delivery of high quality and sustainable outcomes.

This section highlights the challenges currently facing the Program and outlines the areas that require icare's focus in the coming period:

- Embedment of Risk Profiles and Supporting Processes;
- Complaints Management; and
- Maintaining Momentum.

## **2.1. Embedment of Risk Profiles and Supporting Processes**

The GAC Report highlighted the need for icare to do further work on its assessment and management of the material risks affecting its business. The effective establishment of risk profiles for business units is a key component of this risk management practice. Notably, at the time of the GAC Report, only two of icare's business units had risk profiles. The GAC Report proposed that icare undertake a robust bottom-up approach to create, reinforce, and regularly refresh risk profiles for each business unit. This was coupled with a call to establish procedures, controls, and other supporting mechanisms to ensure the ongoing success and effectiveness of achieving the desired uplift in maturity.

In our Last Update, we underscored the importance of ownership and consistency, particularly in the context of icare's aspiration to uplift its risk maturity to meet the GAC Recommendations. The effective implementation and embedment of the Recommendations relating to risk profiles is crucial for enabling consistent risk management practices across icare and solidifying risk ownership throughout the organisation.

icare has made good progress in responding to the Recommendations by documenting key risks for each business unit within Risk Connect. Although this marks progress, challenges have emerged in completing two Initiatives within the Risk Uplift Stream (Development of Enterprise and Business Unit Risk Profiles, and Development of icare Enterprise Obligations Register, Controls and Obligations Management). icare has not yet fully embedded the processes that support the review of the risk profiles. Specifically, icare needs to complete the first round of control assurance activities and commence the Obligations Register maintenance processes, which are currently being planned.

During the Reporting Period, Promontory conducted interviews with icare's stakeholders to evaluate the organisation's efforts in integrating business unit risk profiles and the associated processes. These interviews identified areas that require improvement, including the need for greater consistency in documenting risks and controls within Risk Connect and further progress in the completion of Line 1 control self-assessments. Additionally, the interviews indicated that certain staff have limited awareness of Obligations Register maintenance processes, that there was limited Line 2 assurance over controls and obligations, and a tendency to emphasise positive news about the current state of this work.

With respect to the need for greater consistency in risk and control documentation within Risk Connect, we recognise that business units require some degree of flexibility to implement processes to meet their business needs. However, consistently adopting best practices can provide considerable benefits, including a sustainable enterprise-wide view of risk.

The success of embedding the business unit risk profiles is not solely dependent on the implementation of the risk profiles and their supporting processes. It also requires effective ownership and understanding by those responsible for implementation and maintaining them across several full cycles.

As at the Reporting Date, several key processes have yet to be either performed or maintained across a full operational cycle. The completion rate of Line 1 control self-assessments requires focus as it is low, and Line 2 assurance over risks, controls and obligations has not commenced. Additionally, while

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systems and tools underpinning the Obligations Register and its processes appear to be appropriate, the level of business awareness of the supporting processes and confidence in the accuracy and useability of the Register is inconsistent. These discrepancies underscore the need for action from icare to bridge these gaps.

While there has been limited progress on control self-assessments, it is encouraging to note a clear awareness about the supporting processes within icare. Our interviews with stakeholders indicated that both Line 1 and Line 2 risk teams have a robust understanding of the risk profile and control assurance processes.

Line 2 is making a concerted effort to ensure that the obligations within the Register align with the relevant business units' risks and controls. As icare continues to refine the mapping of the obligations to risks and controls, Line 2 should continue to foster engagement with the business units. Such engagement will help ensure that documented obligations accurately describe their requirements and are written at the correct level of granularity.

The due date for the relevant Risk Uplift Stream Initiatives<sup>6</sup> was September 2023 for the business unit risk profiles and October 2023 for the Obligations Register. In light of these timelines, icare must ensure there is greater urgency to ensure effective embedment of these activities. Promontory's observation is that there has been a tendency towards optimistic reporting on these activities, which may have reduced the focus on progressing this work.

In the coming period, icare will need to prioritise the development and finalisation of a plan for monitoring, demonstrating and reporting progress, reinforced by appropriate governance and oversight. Accurate and transparent reporting that genuinely reflects the current state of these Initiatives will be essential for enabling informed decision making and empowering leaders to tackle any challenges directly.

During the Reporting Period, Promontory met with both the Group Executive (**GE**) Risk and Governance and General Manager (**GM**) Risk Management. The objective of this meeting was to outline our concerns with respect to icare's progress in embedding these two Risk Uplift Stream Initiatives<sup>6</sup>, set out our expectations, and agree on a path forward where icare is able to demonstrate the embedment of these activities. icare is currently working to progress a plan to complete the work required.

With the change of Executive Sponsor of the Risk Uplift Stream also occurring during this Reporting Period, it will be important for icare to maintain focus on progressing the work required under these two Initiatives. This will support the effective and sustainable embedment of the control assurance and Obligations Register management processes.

Embedding these activities will demonstrate that the relevant Recommendations are fully addressed, with the business units taking primary ownership. The successful embedment of this work demands

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<sup>6</sup> Development of Enterprise and Business Unit Risk Profiles (Initiative 2.3), and Development of icare Enterprise Obligations Register, Controls and Obligations Management (Initiative 2.5)

consistency, ownership, and commitment across all business units. This will ensure that the uplifts in risk management are enduring and aligned with the Recommendations.

## 2.2. Complaints Management

Effective complaints management results in complaints being resolved efficiently, effectively and fairly. It helps to improve customer satisfaction and customer relationships. Complaints are also a valuable source of data and insights that can drive continuous improvement. This is aligned with the three key areas that the Improvement Program is focused on:

- improving risk and governance to meet community and regulatory expectations;
- improving performance, particularly getting injured workers back to work sooner and reducing internal costs; and
- driving an accountable culture.

icare receives complaints from various channels, including direct communication from customers, and from regulators, other third parties and CSPs. The GAC Report highlighted deficiencies in icare's management of complaints. The report found that while icare had an established framework for complaints management, the new Complaints Policy was yet to be fully implemented. While icare's complaints management system was the predominant system, the GAC Report identified that other systems were also used to track complaints, contributing to challenges in the consistent recording of complaints and resulting in icare having limited ability to analyse themes, root causes and potential systemic issues. There was no single holistic view of complaints to drive continuous improvement.

*GAC Recommendation 42 - Improve coordination of complaints management to provide oversight/reduce duplication and ensure learnings from complaints are more routinely sought as feedback loops into design and execution.*

In response to GAC Recommendation 42, icare established two Initiatives within the Customer Uplift Stream of the EI Sub-Program. Initiative 4.3 is aimed at uplifting the approach to complaints management and Initiative 4.4 is focussed on implementing a new complaints system. These activities gained momentum in August 2021 with the commencement of the newly appointed Customer Advocate who has responsibility for these Initiatives and the uplift activity.

Key achievements to date include:

- development of the Complaints Framework, Policy and Guidelines to establish a coordinated and consistent approach to complaints management;
- development of supporting guidance such as the Complex Customer Circumstances Guidelines and Fair Decision-Making Principles;
- development of a new Customer Relationship Management (**CRM**) complaints module (**CRM Module**), and technology delivery, to enable the co-ordinated and consistent management of complaints in accordance with the updated Complaints Framework;
- development of supporting dashboards to improve complaints reporting and analysis; and
- uplift of complaints capability by the delivery of training to claims handlers and all staff, including empathy training, and the delivery of technical training for CRM Module users.

While there have been achievements, issues have emerged that have impacted the completion of Embed activities for Initiatives 4.3 and 4.4, particularly with respect to the adoption of the new CRM Module by CSPs. This complaints system represents a significant change program being implemented by the CSPs. Importantly, icare is focusing on this issue and taking steps to address their concerns.

CSPs are contractually obliged to manage complaints in accordance with icare's Complaints Framework, Policy and Guidelines and record complaints in the new CRM Module. During the Reporting Period, icare recognised the need for additional support to aid the adoption of these processes by the CSPs. icare has provided change support to the CSPs, including ongoing engagement, and the provision of training materials and 'train-the-trainer' sessions.

However, as implementation progressed, it became evident to icare that the new CRM Module was not being used as required in all CSPs. Some CSPs encountered difficulties in adopting the new CRM Module, citing system issues and operational challenges. In some instances, resistance to implementing the CRM Module in a timely manner has been identified as a potential underlying root cause.

icare has shown a strong commitment to transparency and accountability by effectively monitoring and reporting on these issues across multiple Program Governance forums. The Customer Uplift Stream's reported status has accurately depicted the delivery risks (with a move to a Red rating in October), and we have observed thoughtful and critical discussions addressing the root causes as they surfaced. This proactive approach has facilitated the development of a remediation plan, endorsed by both the EI SteerCo and the Group Executive Team (**GET**), to address these challenges. Planned remediation activities include onboarding additional resources, impact analysis, reviewing technology solution options, and additional CSP engagement, including conducting CSP on-site visits to understand impediments to using the CRM Module. The due date for the Embed activities has also been extended by five months, demonstrating a commitment to adjusting timeframes if necessary to ensure better quality outcomes.

Promontory acknowledges the scale and complexity of icare's complaints uplift agenda, involving implementation across multiple icare teams, with varying degrees of maturity, as well as in the CSPs. We observed an appropriate sense of urgency for remedial actions with timely escalation for decision making. The GM of Customer Policy and Design in the NI Scheme has also been appointed as co-Business Owner of Initiative 4.4 to improve interaction between the NI Scheme and the Customer Uplift Stream.

With the endorsement of a remediation plan and associated funding by the GET, the outlook of the Customer Uplift Stream has now improved. However, delivery risks for Initiative 4.4 remain, and we encourage icare to continue its heightened focus on achieving the goals set out in the remediation plan. Delays to Initiative 4.4 will impact timing for Initiative 4.3 which is dependent on the effective delivery of the CRM Module. There may also be follow-on delays to Initiative 4.5 (addressing customer governance across icare) given issues with competing resources which will need to be closely monitored. icare will need to maintain a vigilant approach in managing the challenges associated with Initiative 4.4 and any potential follow-on impacts.

### 2.3. Maintaining Momentum

As 2023 draws to a close, it is an opportune time to reflect on icare's achievements to date and to prepare for the final phase of the Program in 2024. The EI Sub-Program is well into the Embed phase, with a number of Streams already having completed delivery. The NII Sub-Program is also progressing well, having onboarded all new CSPs, delivered key technology improvements, and currently implementing foundational changes to improve the capability of claims managers and icare's monitoring of CSP performance.

As icare looks towards the remaining months of the Program it is important to maintain focus on outcomes yet to be delivered. There is still substantial work ahead, with some of the more complex and challenging Initiatives to be delivered.

We have not observed any overall loss of momentum, but it is a common risk at this stage of such large-scale transformation programs. icare should continue to focus on the following areas to maintain the necessary momentum for Program closure.

#### Clarity of Outcomes

As the Program looks to the Embed phase, it is important to further consider how outcomes will be measured. While we have seen draft Program outcome measures for both EI Sub-Program and NII Sub-Program, measures for the NII Sub-Program require further refinement. Once these measures have been finalised, icare will need to consider how these measures will be monitored and reported post Program closure to ensure outcomes are sustained. Once the Program infrastructure is removed (e.g., governance forums such as Steering Committees have been disbanded), monitoring of these measures will need to continue within Business as Usual (**BAU**) governance forums. Clear accountability, across the 3LOD, will be critical for sustaining Program outcomes and ensuring the hard-won changes 'stick and stay'. Appropriate governance through BAU structures will become more important, with reporting providing oversight of the ongoing achievement of these outcome measures, and actions to be taken in response to any evidence that outcomes are not being sustained.

### Business Ownership

A successful Embed phase requires ongoing delivery outcomes as part of BAU. For this to be sustainable, it is critical that the delivery and outcomes are owned by the business. Effective business ownership will ensure there is a much greater likelihood that improvements will 'stick'. This means that the business must be engaged in the Embed phase with clear ownership and accountability for the outcomes.

### Engaging Staff and Minimising Change Fatigue

We have seen minimal evidence of change fatigue. Nonetheless, at this point in such programs there is often an increased risk as changes are embedded into the daily practices of staff across the organisation. There is a potential for staff to focus on getting changes over the line ('tick-a-box') instead of ensuring outcomes are consistently and sustainably embedded.

In the coming year, icare has an opportunity to continue to engage and re-energise staff as it moves towards the completion of the Program, particularly through focusing on the outcomes and the positive difference they will make for the organisation and its stakeholders. Renewed Program communications should remind staff of the reasons behind the changes, what icare is trying to achieve and the benefits that will be delivered to those icare serves. This communication could also focus on outcomes achieved to date, with live case studies of improvements for customers and staff. This renewed push should help maintain momentum and staff buy-in and help minimise any potential change fatigue.

In addition to communications, icare must remain vigilant in its monitoring of staff engagement. There is a need for ongoing monitoring of any resource constraints, both capacity and capability, with escalation to governance forums to address any identified issues. icare's new Enterprise View of Change (**EVoC**) and review of change governance will also help to identify where additional change management support to staff may be required.

### Tone from the Top

Linked to the need to maintain momentum, this stage of the Program benefits from increased engagement and communications from leadership. Strong support from the Board and GET and an increased 'Tone from the Top' that highlights the need to deliver at quality will also help drive staff momentum. The Board and GET need to continue to challenge and test evidence of embedding to ensure the transition to BAU will be successful and sustained. This challenge should continue to occur at governance forums and in interaction with leaders. Regular communications from leadership, particularly from the Chief Executive Officer (**CEO**) and GEs, should continue through the renewed communication program noted above to support staff buy-in and contribute to successful Program delivery.

### 3. Program Progress

During the Reporting Period, icare continued to progress the execution of the Program. As at the Reporting Date:

- 100% of the Initiatives had commenced or completed work on the Design Phase, with over 90% assessed by Promontory as complete and effective;
- 100% of the Initiatives had commenced or completed work on the Implement Phase, with 70% assessed by Promontory as complete and effective; and
- 95% of Initiatives had initiated or completed work on the Embed Phase, with over 55% assessed by Promontory as complete and effective.

Table 3.1 provides a summary of progress, as at the Reporting Date, towards the closure of those Initiative Phases that address the Recommendations of the Reviews.

**Table 3.1: Initiative Phase Status**

Phase	Yet to commence	Work in progress	Work completed	Assessed as complete	Total
Design	0	0	5	58	63
Implement	0	7	12	44	63
Embed	3	15	10	35	63
<b>Total</b>	3	22	27	137	<b>189<sup>7</sup></b>

icare continued to make significant progress in the closure of Recommendations during the Reporting Period with an additional 21 Recommendations assessed as complete and effective. Approximately 45% (48 out of the total 107) of the Recommendations have been assessed as complete and effective. The established operating rhythm for providing Closure Packs was also maintained. As at the Reporting Date we have assessed a total of 137 Initiative Phase Closure Packs as complete and effective. Further detail on our assessments of the Initiatives and Recommendations is provided in Chapters 4 and 5 respectively.

<sup>7</sup> During the Reporting Period, Initiatives 5.10, 6.6 and P1 were added to Program to be assessed by Promontory. Initiative 6.3 was removed from the Program as the Recommendation it sought to address is covered by activities in Initiative 6.5. This brings the total number of Phases to 189.



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The remainder of this Chapter summarises, in tabular form, the status of the Initiatives that address the Recommendations, commencing with the Initiatives which form part of the EI Sub-Program followed by the Initiatives which form part of the NII Sub-Program. icare's progress during the Reporting Period in completing each Initiative Phase is summarised using the Reporting Scale set out in Table 3.2.

**Table 3.2: Reporting Scale**

Indicator	Description of Phase Status
○	Work has not commenced on Initiative Phase.
◐	Work to deliver Initiative Phase is in progress but has not yet been completed.
◑	Work to deliver Initiative Phase is complete.
●	Initiative Phase has been assessed by Promontory as complete and effective.

For Initiative Phases that have not been assessed, Promontory has reported the status of these Initiatives as stated in reports provided by icare. The extent to which these Initiatives have progressed has not been independently verified.

### 3.1. Enterprise Improvement Program<sup>8</sup>

#### 3.1.1. Governance

Stream	Initiative	Design	Implement	Embed
1. Governance	1.1 Executive and Management forums	●	●	◐
	1.2 Decision making and prioritisation	●	●	●
	1.3 Stakeholder Accountability Strategy	●	●	●
	1.4 Delivery and Prioritisation	●	●	●
	1.5 Board Composition	●	●	●
	1.6 Committee Structure, membership and Charter Review	●	●	●
	1.7 Board and Committee Actions schedule process	●	●	●
	1.8 Uplift quality of Board and Committee papers and reporting	●	●	●

#### 3.1.2. Risk Uplift

Stream	Initiative	Design	Implement	Embed
2. Risk Uplift	2.1 Review and Refresh of Risk and Compliance Artefacts	●	●	●
	2.2 Uplift of Risk System	●	●	●
	2.3 Enterprise & Business Unit Risk Profiles	●	●	◐
	2.4 Risk Management Attestation Uplift	●	●	●
	2.5 Enterprise Obligations Register	●	●	◐
	2.6 Further Refinement 3 Lines of Defence	●	●	●
	2.7 Risk in Change Framework	●	●	●

<sup>8</sup> The following Initiatives are not included in the tables below as they were either removed from the Enterprise Improvement Program, do not relate to the Recommendations or are outside the scope of our assurance – Initiatives 1.9, 2.12, 2.13, 3.2, 3.5, 5.6, 5.7, 6.3 and 6.4.

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Stream	Initiative	Design	Implement	Embed
	2.8 Remediation Framework	●	●	●
	2.9 Issue and Incident Management	●	●	●
	2.10 Develop a Risk Maturity Index	●	●	●
	2.11 Implement the Customer Advocate Role	●	●	●
	2.14 Speak Up Hotline	●	●	●
	2.15 CRO Accountability for Regulator Relationship	●	●	●
	2.16 Internal Audit Records and Reporting	●	●	●
	2.17 Significant Matter Committee	●	●	●
	2.18 Probity and Procurement Review	◐	◐	○
	2.19 Conflicts and Personal Interest	●	●	●
	2.20 CRO Membership of GET	●	●	●
	2.21 Incidents Risk Rating	●	●	●
	2.22 Outsourcing Committee	●	●	●
	2.23 Instrument of Delegation	●	●	●
	2.24 Line 2 Risk presence on material steering committees	●	●	●

### 3.1.3. Procurement Uplift

Stream	Initiative	Design	Implement	Embed
3. Procurement Uplift	3.1 User focused systems and processes	●	●	●
	3.3 Transparency and Policy	●	●	●
	3.4 Capability	●	●	●
	3.6 CPO Appointment	●	●	●

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### 3.1.4. Customer Uplift

Stream	Initiative	Design	Implement	Embed
4. Customer Uplift	4.1 CXM Evolution	●	●	◐
	4.2 Transitioning to CSAT	●	●	●
	4.3 Complaints Uplift	●	◐	○
	4.4 CRM Complaints Uplift	●	●	◐
	4.5 Customer Governance@icare	●	◐	○

### 3.1.5. Culture & Accountability

Stream	Initiative	Design	Implement	Embed
5. Culture and Accountability	5.1 Culture	●	●	◐
	5.2 Leadership	●	●	●
	5.3 Refreshed Performance Management Framework	●	◐	◐
	5.4 Refreshed Remuneration Framework	●	◐	◐
	5.5 Alignment of People Experiences - Capability Framework	●	●	◐
	5.8 Refreshed HR Policy Framework	●	◐	◐
	5.9 Culture Measurement	●	●	◐
	5.10 icare Culture Review	●	◐	◐

### 3.1.6. Enterprise Sustainability

Stream	Initiative	Design	Implement	Embed
6. Enterprise Sustainability	6.1 Capital Management Policies (NI and LTCS)	●	●	●
	6.2 Benefits Realisation Framework	●	●	◐
	6.5 Expense Savings Review	●	◐	◐
	6.6 Cost Allocation	◐	◐	◐

### 3.1.7. Treasury Reporting

Stream	Initiative	Design	Implement	Embed
P2. Treasury Reporting	Treasury Reporting	●	●	●

## 3.2. Nominal Insurer Improvement Program<sup>9</sup>

### 3.2.1. Return to Work Performance

Stream	Initiative	Design	Implement	Embed
1. Return to Work Performance	N1.1 Healthcare Dashboard and Reporting	●	●	●

### 3.2.2. Claims Model

Stream	Initiative	Design	Implement	Embed
2. Claims Model	N2.2 Obligations, Risks and Controls	●	●	●

### 3.2.3. CSP Procurement & Provider Performance

Stream	Initiative	Design	Implement	Embed
3. CSP Procurement and Provider Performance	N3.1 NI Claims Management Procurement	●	●	●
	N3.2 CSP Provider Performance	●	●	●

### 3.2.4. Claims Service Provider Transition

Stream	Initiative	Design	Implement	Embed
4. Claims Service Provider Transition	N4.1 New CSP Onboarding	●	●	●
	N4.3 Guidewire Claims Transfer	●	●	●
	N4.4 Policy Transfers	●	●	●

<sup>9</sup> The following Initiatives are not included in the tables below as they were either removed from the Nominal Insurer Improvement Program, do not relate to the Recommendations or are outside the scope of our assurance – Initiatives N2.1 and N4.2

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### 3.2.5. Professional Standards and Capability

Stream	Initiative	Design	Implement	Embed
5. Professional Standards and Capability	<b>N5.1</b> Develop the icare Professional Standards Framework	●	●	●
	<b>N5.2</b> Deliver the Capability Strategy and Career Pathways	●	◐	◐
	<b>N5.3</b> Deliver the Professional Standards Framework	●	◐	◐

### 3.2.6. EML Audit

Stream	Initiative	Design	Implement	Embed
<b>P1. EML Audit</b>	EML Audit	◐	◐	◐

## 4. Initiative Phase Assessments

During the Reporting Period, Promontory completed its assessment of 27 Initiative Phases. This included the assessment of:

- nine Design Phases;
- six Implement Phases; and
- 12 Embed Phases.

These Phases were assessed as complete and effective.

As described in our Interim Establishment Report, our approach to providing assurance over the Program involves assessing whether the activities undertaken in each Phase of an Initiative were completed in line with the relevant Plan and whether they work towards adequately addressing the relevant Recommendation. This involves reviewing all Milestones under each of the Design, Implement and Embed Phases within an Initiative.

During our assessment process, we evaluate whether a Phase is complete by examining the evidence of completed tasks described in the Milestones and Definitions of Done.<sup>10</sup> Additionally, we verify that the completed activities have contributed to achieving the Target State of the relevant Stream. This evaluation process ensures that the Phase has been successfully executed in line with the intended objectives and outcomes.

Table 4.1 provides a list of the Phases that Promontory assessed as complete and effective during the Reporting Period. We provide summaries of our assessment of these activities below.

**Table 4.1: Phases Assessed as complete and effective**

Stream	Initiative	Phase	Phase Closure Date
Governance	1.1	Implement	29 August 2023
Governance	1.3	Embed	30 August 2023
Governance	1.4	Embed	4 October 2023
Risk Uplift	2.1	Embed	8 September 2023
Risk Uplift	2.2	Embed	26 September 2023
Risk Uplift	2.7	Embed	8 September 2023
Risk Uplift	2.22	Embed	29 August 2023

<sup>10</sup> Definitions of Done describe what tasks need to occur for the relevant Milestone to be Completed.

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Stream	Initiative	Phase	Phase Closure Date
Procurement Uplift	3.1	Implement	18 September 2023
Procurement Uplift	3.1	Embed	27 October 2023
Procurement Uplift	3.3	Embed	25 September 2023
Procurement Uplift	3.4	Implement	11 August 2023
Procurement Uplift	3.4	Embed	13 October 2023
Procurement Uplift	3.6	Embed	10 August 2023
Customer Uplift	4.4	Implement	31 October 2023
Customer Uplift	4.5	Design	8 September 2023
Culture and Accountability	5.2	Embed	8 September 2023
Culture and Accountability	5.5	Implement	3 August 2023
Culture and Accountability	5.9	Implement	2 August 2023
Culture and Accountability	5.10	Design	27 October 2023
Enterprise Sustainability	6.5	Design	1 September 2023
Return to Work Performance	N1.1	Design	26 September 2023
CSP Procurement and Provider Performance	N3.1	Embed	28 August 2023
CSP Procurement and Provider Performance	N3.2	Design	15 September 2023
CSP Transition	N4.1	Design	23 August 2023
CSP Transition	N4.3	Design	5 October 2023
CSP Transition	N4.4	Design	25 August 2023



Stream	Initiative	Phase	Phase Closure Date
Professional Standards and Capability	N5.2	Design	4 October 2023

## 4.1. Assessment of Governance Initiatives

### 4.1.1. Assessment of Initiative 1.1 Implement Phase

The Implement Phase of Initiative 1.1 requires icare to implement change governance structures and operate for one quarter (three cycles), with refinements based on concurrent strategy review.

Work completed by icare in relation to this Phase included:

- conducting three cycles of the following GET forums: Quarterly Scheme Performance Review; Leadership and Strategy Meetings and Operations;
- conducting three cycles of the following Senior Leadership Team (SLT) forums: Asset and Liability Committee; Business Planning Committee; Performance Management Committee; Risk and Compliance Committee and Customer Committee; and
- making refinements made following the GET annual self-assessment.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for the relevant Milestone have been met.

### 4.1.2. Assessment of Initiative 1.3 Embed Phase

The Embed Phase of Initiative 1.3 requires icare’s Stakeholder Working Group to operate for three months, in line with the Stakeholder Accountability Framework, and using stakeholder information management tools and training.

Work completed by icare in relation to this Phase included:

- routine reporting, including stakeholder feedback measures (e.g., a stakeholder perceptions audit, and a sentiment report);
- developing a Stakeholder Working Group Terms of Reference; and
- conducting monthly Stakeholder Working Group meetings for three months.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- the application of the stakeholder perceptions audit and sentiment report findings; and
- completion rates for the Stakeholder Accountability Training.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for the relevant Milestone have been met.

#### **4.1.3. Assessment of Initiative 1.4 Embed Phase**

The Embed Phase of Initiative 1.4 requires icare to embed mechanisms to manage change complexity, the project prioritisation framework and the project management framework.

Work completed by icare in relation to this Phase included:

- implementing a Change Governance Framework, designed to capture an EVoC, supported by appropriate governance;
- tabling key program change insights and risks at GET forums, the Enterprise Change Council and Leadership Change Reviews;
- applying the Project Prioritisation Framework to the annual planning cycle; and
- embedding the Project Management Framework, including conducting workshops.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- the application of the Change Governance Framework, including upcoming organisational governance changes in relation to the enterprise-wide view of change;
- monthly reporting provided to key forums;
- assurance over, and compliance with, the Project Prioritisation Framework and the Project Management Framework; and
- the creation of the EVoC report and the Enterprise Change Council.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for all relevant Milestones have been met.

## 4.2. Assessment of Risk Uplift Initiatives

### 4.2.1. Assessment of Initiative 2.1 Embed Phase

The Embed Phase of Initiative 2.1 requires icare to embed a suite of risk and compliance artefacts through the development of monitoring strategies and ensure they are operating effectively.

Work completed by icare in relation to this Phase included:

- reporting risk and compliance matters to the GET on a monthly basis and the Board Risk Committee (**BRC**) on a quarterly basis;
- developing and implementing the Policy Governance Framework to provide guidance on the continuous review and update of frameworks and policies;
- establishing a Risk and Governance Planner to document the review timelines and actions for all policies;
- Line 2 Risk Assurance and Compliance teams conducting assurance reviews over the operating effectiveness of risk and compliance policies;
- conducting monthly meetings with Line 2 Assurance and Internal Audit to discuss upcoming assurance reviews and the outcomes of completed risk assurance reviews;
- conducting monthly meetings with Line 1 and Line 2 Assurance to share themes and outcomes of completed risk assurance reviews;
- conducting monthly business unit risk discussions which cover business unit risk and compliance matters, led by the business unit leadership team with attendance from Line 1 Risk;
- conducting fortnightly risk Community of Practice meetings, which serve as a platform for Line 2 to communicate the risk management framework, enhance awareness of risk practices and strengthen the capability of the Line1 Risk team; and
- reviewing and updating the mandatory risk training to ensure it covered the risk management lifecycle.

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After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- the material included in the GET risk and compliance meeting packs and BRC reporting;
- the level of engagement, discussion and challenge in the GET risk and compliance meetings;
- the outcomes of Line 2 assurance reviews over policies and procedures;
- items discussed at the risk Community of Practice;
- the mechanism to review training material and identify opportunities for improvement; and
- how icare had addressed the requirements of GAC Recommendations 16, 26 and 43.

Promontory conducted the following additional activities to support our assessment:

- met with the GE Risk and Governance and GM Risk Management to discuss the level of challenge and discussion with respect to risk items in GET risk forums; and
- observed a monthly GET Risk Deep Dive, two monthly business unit risk and compliance meetings, and a quarterly BRC meeting.

Based on our assessment of the Closure Pack, the additional information we received, our discussions and the meetings observed, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.2.2. Assessment of Initiative 2.2 Embed Phase**

The Embed Phase of Initiative 2.2 requires icare to embed the Risk Connect risk management system.

Work completed by icare in relation to this Phase included:

- establishing the Enhancement Review Forum to provide ongoing support for icare's risk management system (**Risk Connect**);
- establishing training for Risk Connect users, which is available to all staff on icare's intranet (**HUGO**);
- documenting how Risk Connect integrates into routine risk management processes including incident and issue management, gifts and benefits declarations, and the management of business unit risk profiles, controls and obligations; and
- utilising Risk Connect to support oversight and management of risks through the generation of monthly and quarterly reporting on risk matters.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- whether there has been updates to the data points captured and reporting capabilities of the Risk Connect system since its launch;
- the reporting of risks and controls to Line 1 and Line 2 risk forums;
- how issues or enhancements discussed at the Enhancement Review Forum are translated into the business;
- whether icare measured and reported on adoption and operability metrics of the Risk Connect system to ensure it was both functional and being used by staff; and
- processes in place to assess and uplift the quality of data captured in the Risk Connect system.

Promontory also conducted a walkthrough of the Risk Connect system to better understand the data captured in each of its modules, data quality controls, system workflows and approvals, and the reporting capabilities.

Based on our assessment of the Closure Pack, the additional information we received, and our walkthrough, we concluded that the Definitions of Done for the relevant Milestone have been met.

### **4.2.3. Assessment of Initiative 2.7 Embed Phase**

The Embed Phase of Initiative 2.7 requires icare to have a Risk in Change (**RiC**) approach in place and operational.

Work completed by icare in relation to this Phase included:

- operationalising the RiC approach through procedures and supporting materials such as templates, training and communications;
- ensuring alignment with risk and project management frameworks; and
- assessing adherence to the RiC procedures.

After reviewing the Closure Pack, Promontory requested and received further information on matters including the findings of the assurance review and continuous improvement commitments.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for the relevant Milestone have been met.

### **4.2.4. Assessment of Initiative 2.22 Embed Phase**

The Embed Phase of Initiative 2.22 requires icare to operationalise the Outsourcing Committee.

Work completed by icare in relation to this Phase included the Outsourcing Committee continuing to meet quarterly in line with expectations set out in the Outsourcing Committee Charter.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- whether the Outsourcing Committee Charter had been reviewed;
- changes in Committee membership;
- whether icare had identified any opportunities for improvement or enhancement to the reporting received by the Committee or attendees of the quarterly meetings;
- how icare had considered the requirements of GAC Recommendation 47; and
- the outcomes of assurance activities conducted over the Material Outsourcing Policy and the Outsourcing Committee.

Promontory conducted the following additional activities to support our assessment:

- met with the GE Risk and Governance and GM Risk Management to discuss the effectiveness of the Committee;
- met with the Committee Secretary to discuss the reporting received by the Committee; and
- sighted the Outsourcing Committee meeting packs to better understand the quality and content of the reporting received by the Committee.

Based on our assessment of the Closure Pack, the additional information we received, and our discussions, we concluded that the Definitions of Done for the relevant Milestone have been met.

### **4.3. Assessment of Procurement Uplift Initiatives**

#### **4.3.1. Assessment of Initiative 3.1 Implement Phase**

The Implement Phase of Initiative 3.1 requires icare to implement the business partnering service model and key procurement system enhancements.

Work completed by icare in relation to this Phase included:

- the Chief Procurement Officer (**CPO**) establishing monthly Procurement Business Partnering Meetings;
- the CPO providing Quarterly Procurement Updates to the BRC;
- implementing a refreshed Procurement Central system with enhanced system notifications and approval workflows, and delivering Procurement Central training; and
- implementing enhanced procurement-related systems (including the Catalogue System, Travel Management System, System Applications and Products (**SAP**) and HUGO upgrades).

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- topics discussed in the monthly Procurement Business Partnering Meetings;
- the extent of vendor purchases outside the SAP system and the extent of the SAP system utilisation;
- completion rates of Procurement Central training; and
- whether communication and training activities were undertaken to support the implementation of the procurement-related system enhancements.

Promontory also observed a BRC meeting where the CPO presented the Quarterly Procurement Update.

Based on our assessment of the Closure Pack, the additional information we received, and the BRC meeting observed, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.3.2. Assessment of Initiative 3.1 Embed Phase**

The Embed Phase of Initiative 3.1 requires icare to provide quarterly procurement reporting to the BRC, and for procurement systems to be in use across icare.

Work completed by icare in relation to this Phase included:

- the CPO providing Quarterly Procurement Update reports to the BRC, with details on procurement activities and progress against the Strategic Procurement Plan; and
- procurement-related systems (Catalogue System, Travel Management System, Procurement Central, SAP and HUGO upgrades) being in use across icare.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- reporting to other forums (such as the GET);
- Procurement Key Performance Indicators (**KPIs**) and alignment to the Strategic Procurement Plan; and
- management of procurement-related risks under BAU.

Promontory also conducted a walkthrough of Procurement Central to better understand the use of the system to manage procurement activities and workflow.

Based on our assessment of the Closure Pack, the additional information we received and our walkthrough, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.3.3. Assessment of Initiative 3.3 Embed Phase**

The Embed Phase of Initiative 3.3 requires icare to review key NI contract decisions (noting the NI exemption) and embed procurement policies in user-centred tools.

Work completed by icare in relation to this Phase included:

- establishing a NI Remediation Project to identify and update all contracts that historically applied the NI exemption to NSW Government contracting requirements, so that NI contracts align with the contracting guidelines of other NSW Government agencies;
- maintaining a register of policy non-compliance and tracking actions in response; and
- supporting policies with tools and templates, including Procurement Central and Risk Connect.



After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- managing policy non-compliance; and
- ensuring ongoing alignment with NSW Government requirements and processes.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.3.4. Assessment of Initiative 3.4 Implement Phase**

The Implement Phase of Initiative 3.4. requires icare to deliver training to improve business and expert capability in relation to procurement practices (including a mandatory induction course) and to complete targeted training for key stakeholder groups.

Work completed by icare in relation to this Phase included:

- implementing the enterprise training schedule, which includes a mix of mandatory and elective training courses; and
- delivering targeted procurement training to key stakeholder groups, including to the GET and Board, annual training for procurement specialist staff and mandatory induction course for all new starters.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.3.5. Assessment of Initiative 3.4 Embed Phase**

The Embed Phase of Initiative 3.4 requires icare to embed procurement capability as part of BAU management, induction and development activities.

Work completed by icare in relation to this Phase included:

- reviewing staff capability and training, including assessing procurement staff against the NSW Public Service Commission Capability Framework, mapping training to specific roles and setting out the capability vision of the Procurement function;
- embedding a targeted program to reduce capability gaps for procurement staff;
- embedding mandatory procurement training, with additional elective units available on probity, contract management and financial approval and workflow; and
- reflecting procurement training and capability development activities in annual development plans for key procurement staff.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- the ongoing application of the tool used to assess procurement staff against the NSW Public Service Commission Capability Framework; and
- monitoring completion rates of mandatory and elective training units and how feedback on effectiveness is gathered.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for the relevant Milestone have been met.

#### **4.3.6. Assessment of Initiative 3.6 Embed Phase**

The Embed Phase of Initiative 3.6 requires ongoing monitoring by the CPO of relevant engagement channels, and icare to tangibly show cultural signs of sustainable permeation of improved procurement ways of working.

Work completed by icare in relation to this Phase included:

- rolling out and adopting the updated Procurement Policy, the Contract Management Framework and related processes and systems, including the new Procurement Central system;
- Line 2 assessing processes relating to probity, compliance and value for money as 'effective';
- resourcing decisions to support the adoption of best practice across icare;
- the Procurement team conducting information and training sessions across the business relating to new procurement framework and systems; and
- the CPO engaging with NSW Treasury and internally with the GET, Scheme Leadership Teams, the SLT and new starters.

Promontory met with the CPO to discuss her reflections on the approach to, and delivery of, cultural change and how improved procurement practices have been promoted across icare.

Promontory also met with the Acting Chief Information Officer (**CIO**) to discuss the procurement business partnering model, maturity of the Procurement function, key improvements in procurement practices, and the perception of the Procurement function across the business.

Based on our assessment of the Closure Pack, and our discussions, we concluded that the Definitions of Done for the relevant Milestone have been met.

## **4.4. Assessment of Customer Uplift Initiatives**

### **4.4.1. Assessment of Initiative 4.4 Implement Phase**

The Implement Phase of Initiative 4.4 requires icare to develop and implement two releases relating to the Complaints Module, including enhancing the Complaints Form and a Reporting Dashboard.

Work completed by icare in relation to this Phase included:

- uplifting the CRM Complaints Form in the Complaints Module with detailed business requirements, supported by testing and development protocols (Release 1);
- further enhancing the CRM Complaints Form and developing a Reporting Dashboard (Release 2); and
- supporting both releases with change management activities (e.g., training, communication and engagement) and artefacts.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for all relevant Milestones have been met.

### **4.4.2. Assessment of Initiative 4.5 Design Phase**

The Design Phase of Initiative 4.5 requires icare to develop an approach to monitoring scheme performance against the SIRA Principles, and to develop Customer Governance@icare.

Work completed by icare in relation to this Phase included:

- developing the assurance process against the SIRA Customer Service Conduct Principles and submitting an attestation to SIRA;
- assessing Scheme and enterprise customer governance routines and capabilities; and
- developing and endorsing the Customer Governance@icare approach.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for all relevant Milestones have been met.

## **4.5. Assessment of Culture and Accountability Initiatives**

### **4.5.1. Assessment of Initiative 5.2 Embed Phase**

The Embed Phase of Initiative 5.2 requires icare to:

- re-test the leadership 360-degree feedback survey for the GET and SLT;
- transition the Inspire Program to BAU; and
- regularly communicate strategy, leadership and culture updates.

Work completed by icare in relation to this Phase included:

- GET and SLT participating in the Lifestyles Inventory 360-degree feedback survey, and receiving individual debriefs on results;
- delivering an Inspire Coaching Sessions for leaders, and refining the Inspire Program based on user feedback to apply to new leaders as part of BAU; and
- regularly providing updates on strategy, leadership and culture at forums and Town Halls.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- communication of Lifestyles Inventory results and future participation;
- actions taken based on the Lifestyles Inventory results, including in relation to development plans; and
- attendance at Inspire Coaching Sessions.

Promontory also met with the GM Culture and Capability to discuss the results of the Lifestyles Inventory re-test and actions being taken in response to the findings.

Based on our assessment of the Closure Pack, the additional information we received and our discussions, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.5.2. Assessment of Initiative 5.5 Implement Phase**

The Implement Phase of Initiative 5.5 requires icare to implement the Capability Framework and educate leaders and employees on new capabilities.

Work completed by icare in relation to this Phase included:

- finalising the Capability Framework with eight capabilities mapped to themes and differentiated behavioural descriptors relevant to the employee role level;
- implementing the Capability Framework, supported by a Change Plan and updated relevant artifacts (e.g., onboarding materials and role descriptions); and
- conducting awareness and learning activities, including testing of the approach to communications.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.5.3. Assessment of Initiative 5.9 Implement Phase**

The Implement Phase of Initiative 5.9 requires icare to:

- deploy culture and engagement surveys;
- measure culture progress through a pulse survey; and
- establish and implement and icare Listening Strategy.

Work completed by icare in relation to this Phase included:

- deploying the new culture survey to create a baseline measure and the NSW Government's annual People Matters Employee Survey (**PMES**) in 2021, with results reported to the PRC;
- setting culture targets, and developing a culture change plan and business unit plans;
- deploying the act2engage pulse survey and PMES in 2022 with reporting to the Board and communication of results; and
- developing and adopting the Listening Strategy aimed to achieve a continuous listening, learning and acting approach.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- development and monitoring of business units plans;
- design of survey questions in the act2engage survey;
- implementation of the Listening Strategy; and
- monitoring and reporting on progress.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.5.4. Assessment of Initiative 5.10 Design Phase**

The Design Phase of Initiative 5.10 requires icare to engage an independent party to conduct the required culture review and confirm scope and timeframes of the review.

Work completed by icare in relation to this Phase included:

- engaging an independent third party to conduct the review; and
- agreeing the scope, engagement required and timelines.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for all relevant Milestones have been met.

## **4.6. Assessment of Enterprise Sustainability Initiatives**

### **4.6.1. Assessment of Initiative 6.5 Design Phase**

The Design Phase of Initiative 6.5 requires icare to select an external vendor to complete an expense savings review.

Work completed by icare in relation to this Phase included:

- selecting an external vendor to undertake the expense savings review; and
- executing an engagement contract between icare and the external party, with agreed timeframes.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for the relevant Milestone have been met.

## **4.7. Assessment of Return to Work Performance Initiatives**

### **4.7.1. Assessment of Initiative N1.1 Design Phase**

The Design Phase of Initiative N1.1 requires icare to design the requirements of the healthcare dashboard.

Work completed by icare in relation to this Phase included:

- developing and documenting the business requirements for the Healthcare Dashboard, including engagement with key stakeholders; and
- developing an approach to reference tables.

Promontory viewed the sensitive business requirements document, and icare provided a walkthrough of the key sections of the document.

Based on our assessment of the Closure Pack, and the document walkthrough, we concluded that the Definitions of Done for the relevant Milestone have been met.

## **4.8. Assessment of CSP Procurement and Provider Performance Initiatives**

### **4.8.1. Assessment of Initiative N3.1 Embed Phase**

The Embed Phase of Initiative N3.1 requires icare to negotiate and establish CSP contracts that include information on obligations, controls, assurance, and roles and responsibilities.

Work completed by icare in relation to this Phase included:

- drafting and finalising the CSP contracts (effective 1 January 2023), in consultation with each of the successful respondents;
- offering debrief sessions to all respondents and providing these sessions as requested; and
- publishing a media release from the NSW Minister for Finance and Employee Relations on the icare website.

After reviewing the Closure Pack, Promontory requested and received further information relating to the delivery of debrief sessions to RFP respondents.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for the relevant Milestone have been met.

## **4.8.2. Assessment of Initiative N3.2 Design Phase**

The Design Phase of Initiative N3.2 requires icare to:

- define a high-level NI CSP performance management framework;
- define and prioritise the rollout of performance management reporting; and
- agree the scope and delivery plan for reporting to support the NII Sub-Program.

Work completed by icare in relation to this Phase included:

- defining the Performance Framework and Governance Framework for CSPs; and
- forming the CSP Performance Management Reference Group.

Based on our assessment of the Closure Pack, we concluded that the Definitions of Done for all relevant Milestones have been met.

## **4.9. Assessment of CSP Transition Initiatives**

### **4.9.1. Assessment of Initiative N4.1 Design Phase**

The Design Phase of Initiative N4.1 requires icare to:

- develop a learning plan for new and incumbent CSP onboarding and adapt icare training modules;
- design a change strategy and plan;
- design a new and incumbent CSP onboarding strategy and plan; and
- build a technology plan and design the dress rehearsal.



Work completed by icare in relation to this Phase included:

- conducting scenario modelling to consider likely scenarios from the market tender;
- developing a learning plan and strategy, including a train-the-trainer approach, and conducting a learning module impact analysis to identify learning modules to be created or updated for CSPs and icare;
- developing a change strategy and plan for new and incumbent CSPs;
- developing a critical path roadmap as the onboarding strategy and plan, and defining acceptance criteria; and
- developing a technology delivery plan and designing the dress rehearsal.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- documentation and endorsement of key artefacts;
- ways of working between technology, project and HR teams; and
- development of dress rehearsal scenarios.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.9.2. Assessment of Initiative N4.3 Design Phase**

The Design Phase of Initiative N4.3 requires icare to transition toward a model of multiple CSPs through an enterprise change strategy, supported by technology requirements and change and communication plans.

Work completed by icare in relation to this Phase included:

- approving a Change Strategy and Plan to support the transition to multiple CSPs;
- defining scope items, supported by key milestones;
- defining detailed claims and reporting requirements, and reflecting these in the approved technology solution;
- developing change and communication plans to address the claims consolidation strategy and to support bulk transfer; and
- updating the Guidewire claim transfer framework to enable claims to move at scale.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- findings from the 2021 Guidewire Claims Transition pilot and how these have informed plans and reporting requirements; and
- specialist communication review of letters and emails to stakeholders.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for all relevant Milestones have been met.

#### **4.9.3. Assessment of Initiative N4.4 Design Phase**

The Design Phase of Initiative N4.4 requires icare to design an enterprise change strategy for bulk policy transfer, policy allocation and CSP Choice platforms, supported by defined requirements and change and communication plans.

Work completed by icare in relation to this Phase included:

- developing a Change Strategy and Plan setting out the broad approach, supported by documents articulating the items in scope;
- developing change and communications plans that support policy transfer, policy allocation and bulk policy transfer transitions; and
- defining bulk policy transfer (including articulating a future state), policy allocation and CSP Choice requirements.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- the approvals of activities and artefacts;
- dashboard development including future state requirements; and
- plans for aligning market share across incoming CSPs and incumbent CSPs, including future state requirements.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for all relevant Milestones have been met.

## **4.10. Assessment of Professional Standards and Capability Initiatives**

### **4.10.1. Assessment of Initiative N5.2 Design Phase**

The Design Phase of Initiative N5.2 requires icare to develop a capability strategy for icare's frontline claims professionals.

Work completed by icare in relation to this Phase included:

- developing a capability strategy to embed the Professional Standards Framework across the employee lifecycle;
- building a prototype model and then developing an approach to career pathways for the four key claims roles; and
- reviewing alignment to icare's broader capability framework.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- stakeholder engagement;
- planned implementation of the career pathways model, including criteria for role progression; and
- alignment to icare's Capability Framework.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that the Definitions of Done for the relevant Milestone have been met.

## 5. Recommendation Assessments

icare is addressing the Recommendations made by the Reviews through its Improvement Program. As detailed in Chapter 1, the Program is focussed on three key areas:

- improving icare’s risk and governance to meet community and regulatory expectations;
- improving performance, particularly by getting injured workers back to work sooner and reducing internal costs; and
- fostering an accountable culture.

During the Reporting Period, Promontory completed its assessment of 16 GAC Recommendations and five McDougall Recommendations. These Recommendations were assessed as complete and effective, bringing the total number of Recommendations assessed as complete and effective by Promontory to 48.

As described in our Interim Establishment Report, our approach to providing assurance over the Program involves assessing whether the improvement activities undertaken in each Phase of an Initiative were completed in line with the relevant Plan and whether they adequately address the relevant Recommendation.

During our assessment process to determine whether a Recommendation has been adequately addressed, we review whether all Phases of the associated Initiatives have been assessed by Promontory as complete and effective. Additionally, we seek evidence that demonstrates how these Initiatives have contributed to achieving the Recommendation in question. This evaluation process is vital to ensuring that the intended outcomes of the Recommendation have been successfully met through the execution of the Initiatives.

Table 5.1 provides a list of the GAC and McDougall Recommendations that were assessed as complete and effective during the Reporting Period. We provide summaries of our assessment of these Recommendations below.

**Table 5.1: Recommendations assessed as complete and effective.**

Recommendation	Linked Initiatives	Recommendation Closure Date
<b>GAC 1</b>	1.5 & 1.6	1 September 2023
<b>GAC 2</b>	1.5	30 August 2023
<b>GAC 16</b>	2.1	29 September 2023
<b>GAC 18</b>	2.1	27 September 2023
<b>GAC 25</b>	2.1	10 October 2023
<b>GAC 26</b>	2.1 & 2.6	21 September 2023

Recommendation	Linked Initiatives	Recommendation Closure Date
<b>GAC 33</b>	2.1 & 2.9	27 September 2023
<b>GAC 35</b>	2.1 & 2.9	19 September 2023
<b>GAC 36</b>	2.1 & 2.9	27 September 2023
<b>GAC 37</b>	2.1 & 2.9	29 September 2023
<b>GAC 46</b>	2.1	26 September 2023
<b>GAC 47</b>	2.22	14 September 2023
<b>GAC 55</b>	1.2 & 1.4	19 October 2023
<b>GAC 57</b>	2.7	12 October 2023
<b>GAC 59</b>	1.4	18 October 2023
<b>GAC 69</b>	1.3	10 October 2023
<b>McD 4</b>	N3.1	20 September 2023
<b>McD 9</b>	3.6	8 September 2023
<b>McD 19</b>	1.5	30 August 2023
<b>McD 20</b>	1.5	30 August 2023
<b>McD 23</b>	1.5	30 August 2023

## 5.1. Assessment of GAC Recommendations

### 5.1.1. Assessment of GAC Recommendation 1

The GAC Review recommended that the icare Board continue to provide a clear tone from the top on icare’s role as a NSW government agency with adherence to the standards expected, including by:

- tracking regulatory requirements;
- requiring management reporting on compliance; and
- engaging with regulatory bodies to build positive working relations that cascade through icare.

## Independent Review of icare's Improvement Program

Eighth Quarterly Update

30 November 2023

To address this Recommendation icare has delivered the following outcomes:

- a formal Board induction program was developed and implemented, with content on relevant topics;
- the Board Charter and Board Governance Calendar were updated to ensure regular and effective engagement with SIRA, including a bi-annual meeting between the Boards of SIRA and icare;
- a Regulatory Engagement Strategy was developed requiring effective regulatory engagement, to be measured by quarterly KPIs;
- regular Board reporting was enhanced including Quarterly Regulatory Relationship Reports and monthly CEO reports, and Quarterly Risk and Compliance Reports to the BRC; and
- the annual Board Performance Evaluation was conducted, with the report noting that the Board provides a clear tone from the top.

Promontory conducted the following additional activities to support our assessment:

- met with the GE Risk and Governance to discuss the Board and BRC engagement on risk and compliance matters;
- met with the GM Internal Audit to discuss interaction with the Board Audit Committee (**BAC**); and
- observed BRC and BAC meetings, with active engagement by the Board Committee members.

Based on our assessment of the Closure Pack, and our discussions and meetings observed, we concluded that icare had addressed the Recommendation.

### 5.1.2. Assessment of GAC Recommendation 2

The GAC Review recommended that the icare Board:

- strengthen and refine the Board skills matrix including mapping skills and capabilities at the committee level;
- review the composition of Board committees and ensure that there are adequate skills and experience; and
- develop strategies for addressing any ongoing skills gaps, such as through the appointment of external advisers, Board development and future succession planning.

## Independent Review of icare's Improvement Program

Eighth Quarterly Update

30 November 2023

To address this Recommendation icare has delivered the following outcomes:

- a Board Skills Matrix was developed to map skills and capabilities, including at the Committee level, and was updated following any Director changes;
- the Board Skills Matrix states that the Board Committees have adequate skills and experience aligned to the remit and purpose of the committee;
- the Board Committee Charters were updated to allow for the appointment of independent specialist members or advisors (although such appointments have not been needed to date);
- a Board Development and Training Plan and supporting Calendar were developed to outline Board learning and development; and
- the Succession Plan was developed and revised, with an updated Recruitment Plan to address the recruiting of new directors in 2023.

Promontory met with the Head of Board Governance to discuss the process to update the Board Skills Matrix and strategies to address any skills gaps.

Based on our assessment of the Closure Pack, and our discussions, we concluded that icare had addressed the Recommendation.

### 5.1.3. Assessment of GAC Recommendation 16

The GAC Review recommended that icare:

- review and update the Risk Management Framework with consideration of better practice from key regulators to ensure there is a consistent approach to identifying, measuring and monitoring risks that reflects appetite; and
- ensure the Risk Management Framework is rolled out and communicated.

To address this Recommendation icare has delivered the following outcomes:

- Line 2 undertook a comprehensive review of the Risk Management Framework which included a gap analysis of the Framework against better practice guidelines set out by APRA and the NSW Public Sector;
- the Risk Management Framework was updated to align with better practice guidelines and uploaded to icare's intranet, with icare continuing to review the Risk Management Framework annually;
- several organisation wide communications were released to support the roll out of the updated Risk Management Framework;
- Risk Foundations training was launched, as part of the icare Essentials training suite, to aggregate the risk management lifecycle training originally delivered as part of the Risk Uplift Stream; and
- implementation of risk management processes was assessed through the annual risk management attestation process where GEs attest to the implementation and operation of the Risk Management Framework, with review by Line 2 Risk Assurance.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

#### **5.1.4. Assessment of GAC Recommendation 18**

The GAC Review recommended that icare:

- review and refine Risk Appetite Statement (**RAS**) metrics to reflect the key risks and tolerance levels relevant to a business of icare's nature and complexity; and
- ensure risk tolerances reflect the appetite of icare's refreshed Board.

To address this Recommendation icare has delivered the following outcomes:

- a comprehensive review of the risk appetite and RAS was conducted, in consultation with SMEs and GEs, with feedback incorporated to align the risk appetite with icare's strategy;
- the refined RAS, endorsed by the BRC and approved by the Board, introduced over 30 new metrics, with thresholds set by the Board in consultation with the GET; and
- icare has continued to review the RAS on an annual basis.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.



### **5.1.5. Assessment of GAC Recommendation 25**

The GAC Review recommended that icare enhance and rollout education and awareness activities to lift employees' understanding of icare's and individuals' risk and compliance obligations, the management of risk, key operational risk processes, systems and tools, incidents management and relevant consequences for non-compliance.

To address this Recommendation icare has delivered the following outcomes:

- the documents that encompass icare's Risk Management Framework were reviewed and refreshed, with several organisation-wide communications released to support staff awareness of the updated risk artefacts;
- several training sessions were delivered to staff to support and facilitate the rollout and implementation of the updated suite of risk artefacts;
- user guides and training videos were developed to provide guidance to staff on how to use the key modules within the risk management system, Risk Connect, covering incidents and issues, conflicts of interest, obligations and risk indicators;
- the mandatory suite of training was expanded to include additional training modules on risk and compliance matters such as conflicts of interest, incident and issue management and reporting, and the risk management lifecycle; and
- completion of this training is a performance goal for all icare employees and completion rates are made available to the SLT to monitor team adherence.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including:

- material updates made to the mandatory risk management training as part of the most recent annual review process; and
- the risk management training completion rates.

Based on our assessment of the Closure Pack, and the additional information received, we concluded that icare had addressed the Recommendation.

### **5.1.6. Assessment of GAC Recommendation 26**

The GAC Review recommended that icare establish and implement Line 1 risk committees to oversee risk and compliance in each business unit.

To address this Recommendation icare has delivered the following outcomes:

- the Risk Management Framework was reviewed and refreshed, including to provide greater clarity on the roles and responsibilities of all staff, with specific delineation of the roles of Line 1, Line 2 and Line 3;
- monthly business unit risk discussions were established, led by the business unit leadership teams, with attendance from Line 1 Risk and a Line 2 representative where necessary; and
- the risk Community of Practice was established to enable alignment and consistency across business Line 1 Risk functions, with meetings held on a fortnightly basis.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

### **5.1.7. Assessment of GAC Recommendation 33**

The GAC Review recommended that icare:

- expand the incident management policy to describe the roles, responsibilities and accountabilities for the effective identification, escalation and assessment of incidents; and
- reconsider the roles, responsibilities and reporting of the Regulatory and Affinity Partners team in light of the 3LOD principles.

To address this Recommendation icare has delivered the following outcomes:

- the previous incident management documentation was combined into the Incident and Issue Management and Reporting Policy, including to introduce the Escalation and Approval Matrix (providing detail on roles and responsibilities) and the Incident and Issue Rating Matrix (providing detail on how to rate incidents);
- training was provided to the business unit leadership teams and Incident Coordinators on the incident lifecycle, changes to the policy environment, and incident rating and reporting; and
- the Regulatory and Affinity Partners team was reformed into the Regulatory Affairs Team, reporting to the GE Risk and Governance, and with assigned relevant responsibilities set out in the Incident and Issue Management and Reporting Policy.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

### **5.1.8. Assessment of GAC Recommendation 35**

The GAC Review recommended that icare improve record keeping over incidents and ensure appropriate monitoring and oversight over incident closure.

To address this Recommendation icare has delivered the following outcomes:

- the Incident and Issue Management and Reporting Policy was updated to provide greater clarity on roles and responsibilities with respect to incident and issue management;
- training workshops were delivered on incident and issue management, with training targeted at the elements of the updated Policy most relevant to the respective stakeholders (i.e., leadership teams vs Incident Management Coordinators);
- annual mandatory risk training was updated to include additional training modules on incident and issue management and reporting;
- a new risk management system, Risk Connect, was introduced which includes an Incident and Issue module used to record all data points relating to incident and issue management;
- Line 2 Incident Review meetings were established to ensure that incidents and issues are being recorded and rated according to the expectations of the Incident and Issue Management and Reporting Policy; and
- incidents and issues were reported across several forums, including to the GET and the BRC, to support the monitoring and oversight over the incidents and issues management lifecycle.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

### **5.1.9. Assessment of GAC Recommendation 36**

The GAC Review recommended that icare:

- improve awareness of employees on the importance of escalating incidents in a timely manner; and
- update the incident management policy to better define incident and governance roles.

To address this Recommendation icare has delivered the following outcomes:

- the previous incident management documentation was combined into the Incident and Issue Management and Reporting Policy, which includes details on the roles and responsibilities of icare employees in relation to incidents and governance over the process;
- substantial guidance materials and training were provided to improve awareness and understanding of incident management;
- the Incident Review Panel was established to make decisions on the materiality of incidents and whether an incident requires reporting to SIRA; and
- incidents and issues are now discussed as part of governance activities across all levels of icare.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

#### **5.1.10. Assessment of GAC Recommendation 37**

The GAC Review recommended that icare extend the incidents management policy to incorporate root cause analysis of material or high-rated incidents by Line 2, Line 3 or an independent reviewer.

To address this Recommendation icare has delivered the following outcomes:

- the previous incident management documentation was combined into the Incident and Issue Management and Reporting Policy, which includes details on the roles and responsibilities of icare employees in relation to incidents and governance over the process;
- the Policy includes a requirement for the business owner to perform a root cause analysis for all medium or high-rated incidents, and for the analysis to involve the Risk or Compliance team for high-rated incidents; and
- Line 2 Risk and Compliance meets weekly to review all new incidents reported in Risk Connect.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

#### **5.1.11. Assessment of GAC Recommendation 46**

The GAC Review recommended that icare:

- strengthen and embed the outsourcing policy; and
- design the underpinning processes and procedures to fully operationalise and implement the policy.

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To address this Recommendation icare has delivered the following outcomes:

- the Material Outsourcing Policy was updated to provide clarity on icare's obligations, outline the Outsourcing Principles, and better align with the APRA's Prudential Standard 231: Outsourcing;
- a communications campaign on the Policy rollout was delivered which included internal news updates, the publishing of articles on icare's intranet and providing targeted training on the updated Policy for key Contract Owners;
- supporting materials were developed to provide guidance on key areas of the updated Policy, with Policy and supporting materials available on icare's intranet;
- the first quarterly meeting of the Outsourcing Committee was held, with the Committee responsible for ongoing oversight over compliance with the Material Outsourcing Policy;
- the Material Outsourcing Policy was reviewed in accordance with its specified biennial review schedule;
- contract owners received refresher training on Policy requirements to ensure they understood the changes made to the Material Outsourcing Policy; and
- the Material Outsourcing Policy is subject to annual Line 2 assurance reviews to confirm that the Policy operating effectively, with outcomes reported to the Outsourcing Committee and GET, and actions monitored.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

### 5.1.12. Assessment of GAC Recommendation 47

The GAC Review recommended that icare:

- stand up the Outsourcing Committee with standing members of the GET and executives involved in outsourcing; and
- develop a Terms of Reference to provide a clear remit which considers the Committee's interfaces with other committees, role, and include the requirement to escalate material issues to the GET and BRC.

To address this Recommendation icare has delivered the following outcomes:

- the Material Outsourcing Policy was updated to introduce the Outsourcing Committee as a management committee responsible for ensuring material outsourcing arrangements are identified and managed in line with the Policy requirements;
- the Outsourcing Committee was stood up, with the Committee chaired by the GE Risk and Governance and with executive membership;
- the responsibilities of the Outsourcing Committee were formalised through the development of the Outsourcing Committee Charter, which sets out the purpose of the Committee, Committee membership, meeting frequency, decision rights, roles and responsibilities and reporting and escalation of material issues to the BRC; and
- the Outsourcing Committee has met quarterly in line with the documented schedule.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

#### **5.1.13. Assessment of GAC Recommendation 55**

The GAC Review recommended that icare document its approach to strategic planning and prioritisation of projects.

To address this Recommendation icare has delivered the following outcomes:

- the Strategic and Business Planning Process was developed to provide a single source of truth for the end-to-end process with clearer process, accountabilities, roles and responsibilities;
- strategic and business planning was conducted in line with the documented Process, with the Statement of Business Intent and Business Plan approved by the Board and shared with the Treasurer; and
- the Prioritisation Framework was developed to provide a two-step prioritisation approach to distinguish the non-negotiable from the optional, with the Prioritisation Framework applied during the annual planning process.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

#### **5.1.14. Assessment of GAC Recommendation 57**

The GAC Review recommended that icare's Line 2 establish a formalised RiC approach that considers the nature and type of change that can impact the risk environment.

To address this Recommendation icare has delivered the following outcomes:

- a RiC approach was developed supported by a Procedure and a Risk Assessment Decision Template;
- the Procedure considers the nature and types of change that can impact on the risk environment; and
- the Procedure includes an assessment of icare's capacity, appetite, impact, complexity, interdependencies and dependencies as a result of change (including project change).

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including the role of the EVoC in relation to assessing risk in project delivery.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that icare had addressed the Recommendation.

#### **5.1.15. Assessment of GAC Recommendation 59**

The GAC Review recommended that icare clarify and operationalise accountabilities for risk management within program roles and improve the management and oversight of risk in project decision-making and delivery.

To address this Recommendation icare has delivered the following outcomes:

- the Project Management Framework was uplifted to improve risk management and oversight of risk, including to clarify roles and responsibilities;
- a tool was developed and implemented to ensure consistent capture, oversight and reporting of risks, assumptions, issues and dependencies;
- a Project Management Governance Policy was developed to set out the rules and principles on management of projects and associated project risks;
- a RiC approach was developed, setting out the steps for identifying, assessing, managing, monitoring key risks in change programs or initiatives; and
- an assurance review was undertaken to assess the adherence to the RiC Procedure and the Project Management Framework, with improvements to key artefacts in response.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

### **5.1.16. Assessment of GAC Recommendation 69**

The GAC Review recommended that icare develop a formal stakeholder accountability framework and develop and communicate to employees clear expectations on how icare must engage with its stakeholders in a positive, open and constructive way.

To address this Recommendation icare has delivered the following outcomes:

- a Stakeholder Accountability Framework was developed, comprising the Stakeholder Engagement Strategy, Stakeholder Working Group, Stakeholder Accountability Map and a Stakeholder Journey Tracking Tool;
- the CEO and GET annual performance plans include an explicit constructive key stakeholder relationship's goal; and
- communications were delivered to employees on how icare must engage with its stakeholders in a positive, open and constructive way, via specific training and through development goals informed by the Capability Framework.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including leader modelling of behaviours and cascading to staff how icare must engage with stakeholders in a positive, open and constructive way.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that icare had addressed the Recommendation.

## **5.2. Assessment of McDougall Recommendations**

### **5.2.1. Assessment of McDougall Recommendation 4**

The McDougall Review recommended that icare should reconsider whether the 12-month contract duration of its current Service Provider Agreement with Employers Mutual NSW Limited (**EML**) is appropriate, or whether the duration should be extended to 24 months to allow EML sufficient time to implement the changes in claims management process and other innovations that it has agreed with icare.

To address this Recommendation icare has delivered the following outcomes:

- the 12-month extension available in the contract with EML was exercised; and
- contracts with CSPs became effective on 1 January 2023.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.



### **5.2.2. Assessment of McDougall Recommendation 9**

The McDougall Review recommended that icare should appoint a CPO, with responsibility for icare's significant procurement process, and required cultural changes including permeation throughout the organisation.

To address this Recommendation icare has delivered the following outcomes:

- a CPO was permanently appointed, following an initial appointment;
- the CPO has established channels of engagement with icare's leadership, supported by a regular cadence of meetings; and
- the CPO has led several initiatives that support the permeation of cultural change across the organisation, including the Procurement Business Partnership Strategy, a new operating model, a revised Procurement Policy and a 5-year Strategic Procurement Plan.

Based on our assessment of the Closure Pack, we concluded that icare had addressed the Recommendation.

### **5.2.3. Assessment of McDougall Recommendation 19**

The McDougall Review recommended that the Board of icare should include one or more members who possess extensive public sector experience and workers compensation insurance experience.

To address this Recommendation icare has delivered the following outcomes:

- six new Directors have been appointed to the icare Board since November 2020, with two Directors having significant workers compensation insurance experience and most with extensive public sector experience;
- the Board Skills Matrix was updated following the Board appointments; and
- the Succession Plan was revised with an updated Recruitment Plan to address the recruiting of new directors in 2023.

Promontory met with the Head of Board Governance to discuss the process to update the Board Skills Matrix and strategies to address any skills gaps.

Based on our assessment of the Closure Pack and our discussions, we concluded that icare had addressed the Recommendation.

#### **5.2.4. Assessment of McDougall Recommendation 20**

The McDougall Review recommended that icare should recruit people with specialist qualifications to join Board Committees, where this is necessary to ease the workload of committee members or to make up for any shortfall in expertise in any area by Board members.

To address this Recommendation icare has delivered the following outcomes:

- the Board Committee Charters were updated to allow for the appointment of independent specialist members or advisors (although such appointments have not been needed to date);
- the Board Skills Matrix was updated including at the Committee level; and
- the Board Skills Matrix confirmed that all Committees have adequate skills and experience, with specialist members to be considered on an as needs basis where specific technical expertise is required.

Promontory met with the Head of Board Governance to discuss the process to update the Board Skills Matrix and strategies to address any skills gaps.

Based on our assessment of the Closure Pack and our discussions, we concluded that icare had addressed the Recommendation.

#### **5.2.5. Assessment of McDougall Recommendation 23**

The McDougall Review recommended that the Board of icare, in consultation with the Treasurer, should develop a succession plan for the Board which will facilitate the staggering of terms, and will include a program specifically designed to allow the transmission of corporate experience from a retiring to a new director.

To address this Recommendation icare has delivered the following outcomes:

- a Board Succession Plan was developed in consultation with the Board Chair and NSW Treasury, which includes high-level Principles related to staggered terms, diversity, composition (skills and experience) and knowledge retention and capability building;
- the Board Succession Plan, and attached Recruitment Plan, was revised to apply to Board recruitment in 2023; and
- the Succession Plan includes a requirement for staggered terms and an optional Director Mentoring Program to pair outgoing Directors with newer Directors to allow for the transfer of corporate knowledge and experience of the icare Board.

Promontory met with the Head of Board Governance and the Board Governance Manager to discuss the application of the Director Mentoring Program.

Based on our assessment of the Closure Pack and our discussions, we concluded that icare had addressed the Recommendation.

## Appendix A – Recommendation Mapping

### GAC Recommendations

#	Recommendation	Linked Initiatives
<b>GAC 1</b>	The board should continue providing a clear tone from the top on icare's role as a NSW public agency with adherence to the standards expected of such an agency, including by tracking regulatory requirements, requiring management reporting on compliance, and engaging with regulatory bodies to build positive working relations that cascade through icare.	<b>1.5</b> Board Composition, <b>1.6</b> Committee Structure, membership and Charter Review
<b>GAC 2</b>	The board to: <ul style="list-style-type: none"> <li>strengthen and refine the board skills matrix including mapping skills and capabilities at the committee level;</li> <li>review the composition of board committees and ensure that there are adequate skills and experience aligned to the remit and purpose of the committee; and</li> <li>develop strategies for addressing any ongoing skills gaps, such as through the appointment of external advisers, board development and future succession planning.</li> </ul>	<b>1.5</b> Board Composition
<b>GAC 3</b>	Consult further with NSW Treasury to set up a separate risk committee or risk sub-committee to provide adequate focus and time to manage the risk issues facing icare. Once established; review the role and remit of the Governance Committee to ensure clarity.	<b>1.6</b> Committee Structure, membership and Charter Review
<b>GAC 4</b>	Update the charter for the ARC (or separate Audit and Risk committees) to include the requirement to form a view on icare's risk culture and to assess the adequacy of icare's Risk Management Framework (both its design and effective implementation).	<b>1.6</b> Committee Structure, membership and Charter Review <b>2.10</b> Develop a Risk Maturity Index
<b>GAC 5</b>	Customer Innovation and Technology Committee to increase the time it spends on the voice of the customer and customer outcomes.	<b>1.6</b> Committee Structure, membership and Charter Review <b>4.5</b> Customer Governance@icare
<b>GAC 6</b>	Enhance management reporting, most notably in the areas of customer outcomes, non-financial risk, root cause analysis, regulator engagement, management of material issues and remediation monitoring and scheme-based dashboards.	<b>1.8</b> Uplift quality of Board and Committee papers and reporting <b>4.5</b> Customer Governance@icare

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#	Recommendation	Linked Initiatives
<b>GAC 7</b>	Adopt a more rigorous approach to actions arising, including naming accountable persons, setting a time for delivery of actions and ensuring effective monitoring completion.	<b>1.7</b> Board and Committee Actions schedule process
<b>GAC 8</b>	icare board to introduce a regular agenda item at board meetings to receive reports on the regulator relationship and ensure the voice of the regulator is understood and being addressed.	<b>1.7</b> Board and Committee Actions schedule process
<b>GAC 9</b>	Update the Board Charter to reflect the requirement to regularly report to the NSW Treasurer in accordance with s6(3) of the SIGC Act. Governance processes should: <ul style="list-style-type: none"> <li>consider at regular intervals, whether it should inform the Treasurer of an issue because it is a material development in icare activities; and</li> <li>table correspondence received from the Treasurer requesting information from the board on the activities of icare.</li> </ul>	<b>1.6</b> Committee Structure, membership and Charter Review
<b>GAC 10</b>	icare GET to set a clear tone from the top on the importance of the role of risk management and the role of SIRA as the regulator, by role-modelling expected behaviours and attitudes.	<b>1.1</b> Executive and Management Forums
<b>GAC 11</b>	GET meetings to be governed by established terms of reference with mapped collective accountabilities to ensure that material decisions are made with appropriate GET oversight.	<b>1.1</b> Executive and Management Forums
<b>GAC 12</b>	Challenge behaviours of making decisions "outside the room" and ensure GET brings its full capability and diversity of experience to the issues brought before it.	<b>1.1</b> Executive and Management Forums
<b>GAC 13</b>	GET governance to ensure that decisions, risks and issues are discussed and decided at the right levels of the organisation using timely and relevant data and reporting.	<b>1.1</b> Executive and Management Forums
<b>GAC 14</b>	Establish a financial risk management sub-committee and a non-financial risk management sub-committee with all GET members as standing members; committee meetings to be of a length to allow for sufficient agenda time to discuss, manage and oversee icare risks and issues.	<b>1.1</b> Executive and Management Forums

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#	Recommendation	Linked Initiatives
<b>GAC 15</b>	Enhance customer outcome reporting provided to the GET by incorporating broader leading and lagging metrics on an individual scheme basis to complement NPS reporting.	<b>1.1</b> Executive and Management Forums <b>4.1</b> CXM Evolution <b>4.2</b> Transitioning to CSAT <b>4.5</b> Customer Governance@icare
<b>GAC 16</b>	Review and update the Risk Management Framework to ensure there is a consistent approach to identifying, measuring and monitoring risks that reflects appetite. Consideration should be given to incorporating best practice guidance from other key regulators e.g., APRA, ASIC, and ensure the Risk Management Framework is rolled out and communicated.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
<b>GAC 17</b>	icare to create, strengthen and update risk profiles for each business unit using a bottom-up approach and roll out procedures, controls and other mechanisms to support implementation and operating effectiveness.	<b>2.3</b> Enterprise & Business Unit Risk Profiles
<b>GAC 18</b>	In relation to the Risk Appetite Statement, review and refine metrics to reflect the key risks and tolerance levels relevant to a business of icare's nature and complexity and ensure tolerances reflect the appetite of icare's refreshed board.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
<b>GAC 19</b>	Take action regarding the various financial risks that require improvement via better documentation, oversight and assurance, including medical cost payment, compliance and leakage and the integrity of operating cost allocation between schemes.	<b>N1.1</b> Healthcare Dashboard and Reporting
<b>GAC 20</b>	Develop comprehensive compliance registers and implement procedures, controls and other mechanisms to ensure compliance and effective risk mitigation.	<b>2.5</b> Enterprise Obligations Register
<b>GAC 21</b>	Strengthen the non-financial risk framework and operationalise this through the development and implementation of policies, procedures, leveraging external better practice.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
<b>GAC 22</b>	Further strengthen policies and procedures in relation to conflicts and personal interest and ensure this has communicated and effectively implemented.	<b>2.19</b> Conflicts and Personal Interest
<b>GAC 23</b>	Significantly strengthen the reporting of operational risk, compliance risk and conduct risk to enable consistent oversight of emerging risks, thematic control weaknesses, issues identified through internal audit, conduct risk and incident root causes and trends.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts <b>2.2</b> Uplift of Risk System

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#	Recommendation	Linked Initiatives
<b>GAC 24</b>	Update the Risk Management Framework to reflect the TPP 20-08 attestation process and uplift the rigor and assurance to support the signing of this.	<b>2.4</b> Risk Management Attestation Uplift
<b>GAC 25</b>	Enhance and roll out education and awareness activities to lift employees' understanding of icare's and individuals' risk and compliance obligations, the management of risk, key operational risk processes, systems and tools, incidents management and relevant consequences for non-compliance.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
<b>GAC 26</b>	Establish and implement a Line 1 risk committee to oversee risk and compliance in each business unit.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts <b>2.6</b> Further Refinement 3 Lines of Defence
<b>GAC 27</b>	Build the capability and resourcing of Line 1 (including the Assurance and Quality team), by equipping and enabling people with greater risk awareness, an understanding of icare's frameworks and to encourage their use. Review the reporting line of the Assurance and Quality team.	<b>2.6</b> Further Refinement 3 Lines of Defence
<b>GAC 28</b>	Provide sufficient resources for Line 2 to design and communicate the Risk Management Framework to employees to build awareness and understanding of their role in risk.	<b>2.6</b> Further Refinement 3 Lines of Defence
<b>GAC 29</b>	Install the CRO as a permanent, standing member of GET meetings with a direct reporting line to the CEO to ensure the voice of risk is heard.	<b>2.20</b> CRO Membership of GET
<b>GAC 30</b>	The CRO to be made accountable for management of the regulator relationship.	<b>2.15</b> CRO Accountability for Regulator Relationship
<b>GAC 31</b>	Internal Audit's reporting line to be changed from a dotted to a hard reporting line into the ARC and the ARC Charter to be amended to state that Internal Audit have unfettered access to that committee, to support its independence.	<b>1.6</b> Committee Structure, membership and Charter Review
<b>GAC 32</b>	Internal Audit to strengthen record keeping in relation to investigations commenced due to ICAC referral or other relevant stakeholders. The ARC to improve its oversight of the closure of high rated actions arising from audit reports.	<b>2.16</b> Internal Audit Records and Reporting

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#	Recommendation	Linked Initiatives
<b>GAC 33</b>	<p>Expand the Incident Management Policy to describe the roles, responsibilities and accountabilities for:</p> <ul style="list-style-type: none"> <li>the effective identification and escalation of incidents; and</li> <li>the risk assessment and rating of incidents</li> </ul> <p>Also reconsider the roles, responsibilities and reporting of the Regulatory &amp; Affinity Partners team in light of the 3LOD principles.</p>	<p><b>2.1</b> Review and Refresh of Risk and Compliance Artefacts</p> <p><b>2.9</b> Issue and Incident Management</p>
<b>GAC 34</b>	<p>Add a risk rating to all incidents in the incident register and take the necessary action required based on the rating and significance of the incident.</p>	<p><b>2.21</b> Incidents Risk Rating</p>
<b>GAC 35</b>	<p>Improve record-keeping over incidents and ensure appropriate monitoring and oversight over closure.</p>	<p><b>2.1</b> Review and Refresh of Risk and Compliance Artefacts</p> <p><b>2.9</b> Issue and Incident Management</p>
<b>GAC 36</b>	<p>Improve awareness and training of icare employees on the importance of escalating incidents in a timely way. Update the Incident Management Policy to better define both an incident and governance roles, to support effective escalation and response actions including remediation.</p>	<p><b>2.1</b> Review and Refresh of Risk and Compliance Artefacts</p> <p><b>2.9</b> Issue and Incident Management</p>
<b>GAC 37</b>	<p>Extend the Incidents Management Policy to incorporate root causes analyses of material or high rated incidents by Line 2, 3 or an independent reviewer (where relevant) to bring an objective and unbiased approach to identifying root causes.</p>	<p><b>2.1</b> Review and Refresh of Risk and Compliance Artefacts</p> <p><b>2.9</b> Issue and Incident Management</p>
<b>GAC 38</b>	<p>Define and document a remediation framework which sets the guiding principles, roles, responsibilities and accountabilities for when and how a remediation program should be established and the governance required to oversee remediation activities.</p>	<p><b>2.8</b> Remediation Framework</p>
<b>GAC 39</b>	<p>Improve Line 1 and Line 2 reporting on incident identification, management and closure and feed into consequence management as appropriate.</p>	<p><b>2.1</b> Review and Refresh of Risk and Compliance Artefacts</p> <p><b>2.2</b> Uplift of Risk System</p>
<b>GAC 40</b>	<p>Establish a significant matter committee to assist with expediting decision-making regarding what should be reported. This should be supported by a terms of reference and appropriate composition.</p>	<p><b>2.17</b> Significant Matter Committee</p>
<b>GAC 41</b>	<p>Uplift employee awareness of icare's commitment to report significant matters to the regulator SIRA within five days.</p>	<p><b>2.9</b> Issue and Incident Management</p>

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#	Recommendation	Linked Initiatives
<b>GAC 42</b>	Improve coordination of complaints management to provide oversight / reduce duplication and ensure learnings from complaints are more routinely sought as feedback loops into design and execution.	<b>4.3</b> Complaints Uplift <b>4.4</b> CRM Complaints Uplift
<b>GAC 43</b>	Update and implement policies and procedures in relation to wrongdoing to enable and better support 'speak-up'. Ensure reporting channels are in place to support the anonymity, safety from potential reprisal and independence of the wrongdoing process.  Any changes should be communicated to all staff.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts  <b>2.14</b> Speak Up Hotline  <b>5.8</b> Refreshed HR Policy Framework
<b>GAC 44</b>	Coordinate and report to the ARC on the complete set of material grievance and wrongdoing issues to provide oversight and an understanding of systematic themes. Implement a system of feedback to help inform future behaviours and ensure lessons are learned.	<b>2.14</b> Speak Up Hotline
<b>GAC 45</b>	Ensure that management takes action efficiently and effectively in formal and informal matters of wrongdoing and other complaints and that there is effective communication in support of this.	<b>2.14</b> Speak Up Hotline
<b>GAC 46</b>	Strengthen and further embed the Outsourcing Policy and design the underpinning processes and procedures to fully operationalise and implement the updated Outsourcing Policy.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
<b>GAC 47</b>	Set up the proposed Outsourcing Committee with standing members of the GET and relevant executives involved in outsourcing, with a terms of reference providing a clear remit which considers the committee's interfaces with other committees and roles and includes the requirement to escalate material issues to the GET and ARC.	<b>2.22</b> Outsourcing Committee
<b>GAC 48</b>	Review existing key material outsourcing contracts against the revised Outsourcing Policy's requirements and update accordingly.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
<b>GAC 49</b>	Improve the governance over Scheme Agent adherence to relevant internal icare policies and ensure that Scheme Agents are performing to these standards.	<b>N3.1</b> NI Claims Management Procurement User focused systems and processes  <b>N3.2</b> CSP Provider Performance
<b>GAC 50</b>	Review the KPIs used to measure Scheme Agent performance. Ensure they adequately capture compliance with regulatory requirements and include leading measures as well as lagging measures focused on the injured worker.	<b>N3.1</b> NI Claims Management Procurement  <b>N3.2</b> CSP Provider Performance



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#	Recommendation	Linked Initiatives
<b>GAC 51</b>	Identify and map the key obligations, risks and controls related to claims management and how roles and responsibilities are delineated between icare and the Scheme Agents.	<b>N2.2</b> Obligations, Risks and Controls <b>N3.1</b> NI Claims Management Procurement
<b>GAC 52</b>	Once obligations, risks and controls have been documented: <ul style="list-style-type: none"> <li>document assurance roles and responsibilities in relation to Scheme Agents across the 3LoD; and</li> <li>significantly improve assurance activities by the 3LoD over Scheme Agents in accordance with a documented framework, supported by procedures, reporting and governance oversight.</li> </ul>	<b>2.6</b> Further Refinement 3 Lines of Defence <b>N2.2</b> Obligations, Risks and Controls <b>N3.1</b> NI Claims Management Procurement
<b>GAC 53</b>	GET meetings to receive regular individual scheme and segment scorecards to ensure visibility and accountability of scheme performance.	<b>1.1</b> Executive and Management Forums
<b>GAC 54</b>	Review and update icare's Instrument of Delegations to ensure it considers the materiality of risk in addition to project financials. Examples of this include risk to strategy, brand and reputational risk, operational risk (e.g., IT, cybersecurity, delivery) and customer (e.g., experience, outcomes, retention).	<b>2.23</b> Instrument of Delegation
<b>GAC 55</b>	Document icare's approach to strategic planning and prioritisation of projects.	<b>1.2</b> Decision making and prioritisation <b>1.4</b> Delivery and Prioritisation
<b>GAC 56</b>	Define and embed multi-dimensional criteria that considers customer outcomes, financial impacts, strategic alignment, risk appetite and alignment to icare's ethical Decision-Making Framework. This will allow independent evaluation of the feasibility of each project, as well as support trade-off decisions across projects.	<b>1.4</b> Delivery and Prioritisation
<b>GAC 57</b>	Line 2 to establish a formalised 'risk in change' approach. This should consider the nature and types of change that can affect the risk environment and the need to assess icare's capacity, appetite, impact, complexity, interdependencies and dependencies as it relates as a result of change (including project change).	<b>2.7</b> Risk in Change Framework
<b>GAC 58</b>	Ensure Line 2 risk capability has a continuing presence and is embedded as a standing member of material steering committees and in prioritisation forums.	<b>2.24</b> Line 2 Risk presence on material steering committees
<b>GAC 59</b>	Clarify and operationalise accountabilities for risk management within program roles and improve the management and oversight of risk in project decision-making and delivery.	<b>1.4</b> Delivery and Prioritisation

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#	Recommendation	Linked Initiatives
<b>GAC 60</b>	GET to bring a stronger risk management and governance lens to decision-making on the magnitude and complexity of change across multiple programs of work.	<b>1.4</b> Delivery and Prioritisation
<b>GAC 61</b>	Further embed the key elements of the Program Management Handbook and ensure key project principles (e.g., post implementation reviews, benefits realisations, risk assessment) are adhered to and with sufficient quality/depth or documentation so that lessons can be learned for future projects.	<b>1.4</b> Delivery and Prioritisation
<b>GAC 62</b>	Adopt a better practice accountability framework that provides clarity on standards, holds people to account with strict board and GET governance and oversight, cascades accountabilities through the organisation, and effectively applies consequence management. Ensure these accountabilities are documented, communicated and that consideration is given to leveraging practices and requirements set by other regulators.	<b>5.3</b> Refreshed Performance Management Framework <b>5.4</b> Refreshed Remuneration Framework <b>5.5</b> Alignment of People Experiences - Capability Framework
<b>GAC 63</b>	Amend the People and Remuneration Committee's charter to include a role to oversee the setting-up of an effective accountability framework for icare complementing a new consequence management framework and including the cascade of this through the organisation.	<b>1.6</b> Committee Structure, membership and Charter Review <b>5.4</b> Refreshed Remuneration Framework
<b>GAC 64</b>	Improve role descriptions of the GET and their teams to ensure that accountabilities for scheme agents, risk and other matters are clearly captured and then cascaded through the organisation. Ensure there is a process of regular review.	<b>5.3</b> Refreshed Performance Management Framework <b>5.4</b> Refreshed Remuneration Framework <b>5.5</b> Alignment of People Experiences - Capability Framework
<b>GAC 65</b>	As part of the better practice framework, develop an accountability map for icare as a whole, referencing how accountabilities come together from individual schemes to ensure there are no gaps or overlaps.	<b>5.3</b> Refreshed Performance Management Framework
<b>GAC 66</b>	Define and document a Consequence Management Policy and/or approach that considers other levers besides financial consequences.	<b>5.3</b> Refreshed Performance Management Framework <b>5.4</b> Refreshed Remuneration Framework

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#	Recommendation	Linked Initiatives
<b>GAC 67</b>	Continue to reinforce balancing of performance measurement with reward through increased risk assessment monitoring, guidance over the inclusion of customer and risk metrics in individual performance goals, and enhanced leadership capability in managing performance.	<b>5.3</b> Refreshed Performance Management Framework <b>5.4</b> Refreshed Remuneration Framework
<b>GAC 68</b>	icare to implement a regime imposing individual accountability on the CEO, CRO and GET executives to engage with SIRA in an open, constructive and cooperative way.	<b>5.3</b> Refreshed Performance Management Framework <b>5.4</b> Refreshed Remuneration Framework
<b>GAC 69</b>	Develop a formal stakeholder accountability framework and develop and communicate to employees clear expectations on how icare must engage with its stakeholders in a positive, open and constructive way.	<b>1.3</b> Stakeholder Accountability Strategy
<b>GAC 70</b>	icare should translate its strategic priorities into cultural aspirations and make them tangible for individuals across the organisation.	<b>5.1</b> Culture <b>5.2</b> Leadership <b>5.5</b> Alignment of People Experiences - Capability Framework
<b>GAC 71</b>	Create a greater understanding of the expectations for all icare employees with respect to governance and accountability, and align these to processes, policies and tools set around incident management, issue management and risk management. This supplements recommendations made in Chapter 5. Risk management & compliance, Chapter 6. Issues identification, escalation & resolution, and Chapter 9. Accountability.	<b>5.1</b> Culture <b>5.2</b> Leadership <b>5.4</b> Refreshed Remuneration Framework <b>5.5</b> Alignment of People Experiences - Capability Framework <b>5.8</b> Refreshed HR Policy Framework
<b>GAC 72</b>	Build and promote further learning and feedback mechanisms and both project and team levels both formally and informally. This supplements recommendations made in Chapter 6. Issues identification, escalation & resolution.	<b>1.4</b> Delivery and Prioritisation <b>5.1</b> Culture <b>5.2</b> Leadership <b>5.9</b> Culture Measurement

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#	Recommendation	Linked Initiatives
<b>GAC 73</b>	Build leadership (GET, Chiefs and Senior Leadership Team) capability around effective risk, governance and accountability practices, but also in how they role model and communicate change to their teams as a collective. This supplements recommendations made in Chapter 4. Senior leadership oversight, and Chapter 5. Risk management & compliance.	<b>5.1</b> Culture <b>5.2</b> Leadership <b>5.5</b> Alignment of People Experiences - Capability Framework
<b>GAC 74</b>	Enhance its performance management system, with particular focus on clarifying individual expectations so as they can overcome the diffusion of responsibility and hold people to account. In doing so, icare should confirm the KPIs, scorecards, charters, accountability frameworks and cascade that exist to support this. This supplements recommendations made in Chapter 9. Accountability.	<b>5.1</b> Culture <b>5.2</b> Leadership <b>5.3</b> Refreshed Performance Management Framework <b>5.4</b> Refreshed Remuneration Framework <b>5.5</b> Alignment of People Experiences - Capability Framework
<b>GAC 75</b>	Identify and embed the critical few behaviours it needs to drive effective governance and accountability practices. These may include behaviours associated with constructive challenge, speaking up and safety in doing so, listening to other areas of expertise, learning and responding, but also to further embed collaborative partnering.	<b>5.1</b> Culture <b>5.2</b> Leadership <b>5.5</b> Alignment of People Experiences - Capability Framework <b>5.8</b> Refreshed HR Policy Framework <b>5.9</b> Culture Measurement
<b>GAC 76</b>	Implement a robust behavioural measurement framework that enables monitoring of behavioural change to drive governance, accountability and performance outcomes. This supplements recommendations made in Chapter 9. Accountability.	<b>5.1</b> Culture <b>5.2</b> Leadership <b>5.3</b> Refreshed Performance Management Framework <b>5.4</b> Refreshed Remuneration Framework <b>5.9</b> Culture Measurement

## McDougall Recommendations<sup>11</sup>

#	Recommendation	Linked Initiatives
<b>McD 1</b>	icare should continue its investment in skills and professional development through the Personal Injury Education Foundation or other education resources, in conjunction with the wider insurance industry, to build on icare's and Employers Mutual NSW Limited's (EML) current commitments to improving claims management capabilities.	<p><b>N5.1</b> Develop the icare Professional Standards Framework Culture</p> <p><b>N5.2</b> Deliver the Capability Strategy and Career Pathways</p> <p><b>N5.3</b> Deliver the Professional Standards Framework</p>
<b>McD 2</b>	icare should examine the Internal Audit Report on EML from a major risk perspective to identify actions, timelines and responsibilities for overcoming whatever shortcomings may be identified in the report.	<b>P1</b> EML Audit
<b>McD 3</b>	If icare intends to seek market tenders for claims management, it should review the timing for doing so (so as to avoid exacerbating EML's staff turnover problems), and its competitive strategy, and should prioritise stability and performance outcomes.	<p><b>N3.1</b> NI Claims Management Procurement User focused systems and processes</p> <p><b>N4.1</b> New CSP Onboarding CXM Evolution</p> <p><b>N4.3</b> Guidewire Claims Transfer Complaints Uplift</p> <p><b>N4.4</b> Policy Transfers CRM Complaints Uplift</p> <p><b>N5.2</b> Deliver the Capability Strategy and Career Pathways Leadership</p>
<b>McD 4</b>	icare should reconsider whether the 12-month contract duration of its current Service Provider Agreement with EML is appropriate, or whether the duration should be extended to 24 months to allow EML sufficient time to implement the changes in claims management process and other innovations that it has agreed with icare.	<b>N3.1</b> NI Claims Management Procurement
<b>McD 5</b>	icare should affirm the three points of data quality, skills and capacity, and sustainability as essential priority work for management with detailed timelines for achievement.	<p><b>N1.1</b> Healthcare Dashboard and Reporting</p> <p><b>N5.3</b> Deliver the Professional Standards Framework</p>

<sup>11</sup> Only the McDougall Recommendations which are linked to Initiatives which are subject to our independent assurance have been listed in the table above.

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#	Recommendation	Linked Initiatives
<b>McD 6</b>	<p>icare should:</p> <ul style="list-style-type: none"> <li>retain the Customer Advocate role for a further period of 12 months;</li> <li>strengthen its internal capacity to assess and understand customer views and needs, with a view to ensuring that that internal capacity is able to provide the services and insights currently provided by the Customer Advocate; and</li> <li>thereafter, remove the Customer Advocate role in light of existing internal capability to support business change projects.</li> </ul>	<b>2.11</b> Implement the Customer Advocate Role
<b>McD 9</b>	icare should appoint a Chief Procurement Officer, who will be responsible for the significant procurement process and cultural changes that are required, and to ensure their successful and sustainable permeation throughout the organisation.	<b>3.6</b> CPO Appointment
<b>McD 10</b>	<p>icare in its own right should be bound to a procurement and probity framework equal to or better than other government agencies and should have in place robust procurement processes.</p> <p>These processes should align with the existing procurement obligations of government agencies and be consistent with the guidance provided by RSM.</p>	<p><b>3.1</b> User focused systems and processes</p> <p><b>3.3</b> Transparency and Policy</p>
<b>McD 11</b>	<p>Icare should establish a regular education program to demonstrate to staff how governance systems help improve performance and achieve goals and ensure that staff understand the expected behaviours and requirements to which they must adhere under icare's policies and procedures and applicable NSW Government policies and guidelines.</p> <p>Probity and procurement education should follow the guidance provided by RSM.</p>	<b>3.4</b> Capability
<b>McD 12</b>	For icare employees with authority to carry out procurement across the Business Units, a more tailored education program should be developed and delivered on an annual basis, in line with the guidance provided by SRSM.	<b>3.4</b> Capability
<b>McD 13</b>	After one year from the date of this Report, icare should undertake an independent review of the operation and implementation of the new probity and procurement policies.	<b>2.18</b> Probity and Procurement Review

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#	Recommendation	Linked Initiatives
<b>McD 14</b>	icare should update and implement policies and procedures in relation to wrongdoing to enable and better support speak-up.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
	icare should ensure that reporting channels are in place to support the anonymity, safety from reprisal and independence of the wrongdoing process. Any changes should be communicated to all staff.	<b>2.14</b> Speak Up Hotline <b>5.8</b> Refreshed HR Policy Framework
<b>McD 15</b>	icare’s management should coordinate and report to the ARC on the complete set of material grievance and wrongdoing issues to provide oversight and an understanding of systematic themes.	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts
	icare’s management should implement a system of feedback to help inform future behaviours and ensure lessons are learned.	<b>5.8</b> Refreshed HR Policy Framework
<b>McD 16</b>	icare should ensure that management takes action efficiently and effectively on all formal and informal reports of wrongdoing and other complaints, and that there is effective communication in support of this process	<b>2.1</b> Review and Refresh of Risk and Compliance Artefacts <b>5.8</b> Refreshed HR Policy Framework
<b>McD 17</b>	icare’s Board should take responsibility for ongoing oversight of icare’s cultural change program.	<b>5.1</b> Culture <b>5.9</b> Culture Measurement
	icare should prepare and publish a plan for cultural change which addresses, at minimum, the key risk factors of inattention to process, focus on transformation at the expense of process and resistance to oversight. In doing so, the plan should take into account recommendations and qualifications 70 to 76 in the GAC Review Recommendations.	
<b>McD 18<sup>12</sup></b>	icare should report annually to the Treasurer and publicly on its progress in executing that plan.	<b>5.10</b> icare Culture Review
	There should be a further review of icare’s culture by June 2023. That review should be conducted, as was the CGA Review, by an independent third party. It should address, among other topics, the progress of implementation of planned improvements to icare’s cultural practices and shifts in its underlying culture.	

<sup>12</sup> Promontory will be providing assurance over the Design, Implement and Embed Phases of the relevant Initiative. However, while Promontory will be providing assurance that the Recommendation has been addressed by the completion of the external review, we will not be assessing the content of the external review report.

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#	Recommendation	Linked Initiatives
<b>McD 19</b>	The Board of icare should include one or more members who possess extensive public sector experience and workers compensation insurance experience.	<b>1.5</b> Board Composition
<b>McD 20</b>	icare should recruit people with specialist qualifications to join Board Committees, where this is necessary to ease the workload of committee members or to make up for any shortfall in expertise in any area by Board members.	<b>1.5</b> Board Composition
<b>McD 21</b>	The ARC should be split into a separate Audit Committee and a separate Risk Committee.	<b>1.6</b> Committee Structure, membership and Charter Review
<b>McD 23</b>	The present Board of icare, in consultation with the Treasurer and if necessary after taking independent external advice, should develop a succession plan for the Board which will facilitate the staggering of terms and will include a program specifically designed to allow the transmission of corporate experience from a retiring to a new director.	<b>1.5</b> Board Composition
<b>McD 24</b>	icare's executive leadership should consider the observations and recommendations of the GAC Review with specific focus on: <ul style="list-style-type: none"> <li>improving information flows both to the GET and to the Board; and</li> <li>ensuring icare and the GET apply best practice risk identification and mitigation practices consistently across the whole of icare's organisation.</li> </ul>	<b>1.1</b> Executive and Management Forums
<b>McD 25</b>	icare should continue the approach adopted in its 2019-20 annual report of providing detailed reporting on executive remuneration, including performance payments.	<b>5.4</b> Refreshed Remuneration Framework
<b>McD 26</b>	icare's Board, on the advice of the PRC, should give careful consideration to the design of remuneration and incentive structures to ensure that they are aligned to achieving the statutory objectives of the schemes that icare manages.	<b>5.4</b> Refreshed Remuneration Framework
<b>McD 27<sup>13</sup></b>	icare's Board should commission an external review of the results of the extant expense savings program after two years and a summary of the results should be made public.	<b>6.5</b> Expense Saving Review
<b>McD 28</b>	icare should report publicly and in detail each year on its transformation expenditure and on the benefits that icare says it is producing.	<b>6.2</b> Benefits Realisation Framework

<sup>13</sup> Promontory will be providing assurance over the Design, Implement and Embed Phases of the relevant Initiative. However, while Promontory will be providing assurance that the Recommendation has been addressed by the completion of the external review, we will not be assessing the content of the external review report.



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#	Recommendation	Linked Initiatives
<b>McD 29</b>	The Boards of icare and SIRA should ensure that they receive regular reports on the relationship from their respective agencies, and that they continue to meet, without their respective management teams, to identify and discuss any continuing or new issues in the relationship.	<b>1.7</b> Board and Committee Actions schedule process
<b>McD 30</b>	The Boards of icare and SIRA should jointly report, formally and regularly, to their respective Ministers on the state of the relationship between the agencies.	<b>1.7</b> Board and Committee Actions schedule process
<b>McD 31</b>	icare should update its board charter to include a requirement to report regularly to the NSW Treasurer in accordance with s6(3) of the State Insurance and Care Governance Act 2015. Governance processes should: <ul style="list-style-type: none"> <li>require the Board to consider, at regular intervals, whether it should inform the Treasurer of an issue because it is a material development in icare activities;</li> <li>require the Board to table correspondence sent to or received from the Treasurer in relation to the activities of icare; and</li> <li>require the Board to include a report of correspondence and other communications with the Treasurer in the minutes of its meetings.</li> </ul>	<b>1.6</b> Committee Structure, membership and Charter Review
<b>McD 32</b>	icare should develop and report against a new set of tracking measures that compares achievement of benefits against 2020-21 as the new baseline. This should include all relevant indicators, to ensure that it shows accurately improvements (or declines) in all the targeted financial and outcome benefits.  icare should publish those reports both publicly and to the Treasurer at least annually.	<b>6.2</b> Benefits Realisation Framework
<b>McD 33</b>	icare should report in detail to the Treasurer on implementation of the recommendations of this Report (in so far as they are directed at icare) and should report on that publicly at least annually.	<b>P2</b> Treasury Reporting
<b>McD 42</b>	icare should consider the explicit use of an Economic Funding Ratio for the purposes of assessing the NI's capital management needs including the assessment of premium rates and planning for the NI's long term financial sustainability.  icare should report publicly on the financial health of the NI scheme using the new measure(s), at least annually.	<b>6.1</b> Capital Management Policies (NI and LTCS)



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