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

Final Establishment Report and First Quarterly Update

28 February 2022

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 is our final report on the establishment of the Improvement Program. This report is also our first 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.

This report is provided solely for the purposes described above. Promontory's assurance role may not incorporate all matters that might be pertinent or necessary to a third party's evaluation of icare's Improvement Program or any information contained in this report. No third-party beneficiary rights are granted or intended. Any use of this report by a third party is made at the third party's own risk.

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Contents

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

4

Abbreviations & Definitions

Business-Owned Activities	Remediation actions being undertaken as part of business-as-usual
CSPs	Claims Service Providers
EI Plan	Enterprise Improvement Plan, which outlines the remediation actions that will be taken to address the relevant Recommendations
EI Sub-Program	Enterprise Improvement Program
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
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
GET	Group Executive Team
icare	Insurance and Care NSW
Improvement Program	icare's program of work to, among other things, address the McDougall Recommendations and GAC Recommendations
Interim Establishment Report	Our first report dated 6 December 2021, which provides an initial description of how icare has set up the Improvement Program
Line 1	icare's first line of defence, the front line and operational function
Line 2	icare's second line of defence, the risk function
Line 3	icare's third line of defence, the internal audit function
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	The icare and State Insurance and Care Governance Act 2015 Independent Review
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 Program
NI Scheme	Nominal Insurer Scheme

NSW	New South Wales
Planning Workshop	Workers Compensation Leadership Team Planning Workshop
Plans	The EI Plan, the NII Plan and the approach to the Business-Owned Activities
Sub-Programs	The EI Sub-Program and NII Sub-Program
Promontory, we or us	Promontory Australia, a business unit of IBM Consulting
RAG	Red, Amber or Green
Recommendations	The McDougall Recommendations and GAC Recommendations
Reform PMO	The Reform Program Management Office
Reporting Date	31 January 2022
Reporting Period	The period from 6 December 2021 to 28 February 2022
Reports	The McDougall Report and GAC Report
Reviews	The McDougall Review and GAC Review
SIRA	State Insurance Regulatory Authority
Scheme Agents	Outsourced service providers
SICG Act	State Insurance and Care Governance Act
TMF	Treasury Management Fund

Executive Summary

This report represents Promontory's Final Establishment Report and our First Quarterly Update that we are required to provide as Independent Assurer over icare's Improvement Program.

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.

Issues with icare's compliance and performance in recent years resulted in several reviews, including the McDougall and 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 made a number 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.

The Improvement Program

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

The Improvement Program consists of two main sub-programs:

- the Enterprise Improvement Program, which aims to address recommendations that apply across the whole icare organisation; and

- the Nominal Insurer Improvement Program, which aims to address recommendations that apply to the Workers Compensation Nominal Insurer Scheme.

The Reform Project Management Office acts as the central team managing the delivery of the Improvement Program. The Reform Project Management Office coordinates with delivery personnel responsible for each sub-program to ensure that sustainable outcomes addressing the recommendations made by the reviews are delivered.

Primary governance over the Improvement Program to ensure effective oversight of execution is provided by:

- the icare Board, which oversees the Enterprise Improvement and Nominal Insurer Improvement Programs and monitors progress in executing the Improvement Program; and

- separate Executive Steering Committees for each of the sub-programs, which meet on a monthly basis.

Internal review of the delivery of the Improvement Program is provided by:

- Line 1, which signs off that the recommendations of the reviews have been addressed;

- Line 2, which provides advice on the risk profiles for the Improvement Program and provides challenge at program governance forums; and

- Line 3, which conducts audits that touch on parts of icare that are affected by the Improvement Program.

Promontory's Role

Promontory has been engaged to provide independent assurance over icare's Improvement Program as it relates to the recommendations of the McDougall and GAC reviews. These independent assurance services include:

- reviewing the establishment of the Program for completeness and accuracy;

- monitoring the status and progress of the Improvement Program;

- assessing whether the artefacts provided by icare evidence that improvement activities have adequately addressed the relevant recommendations; and

- reporting on our findings.

We will also assess the ongoing adequacy of key elements of program infrastructure such as governance and reporting, communications and resourcing.

Early Observations

Promontory's observations to date indicate that there is a strong commitment to the delivery of the Improvement Program and towards ensuring that it provides an appropriate foundation to address the wide-ranging concerns raised in the reviews. Importantly, icare has been refining the outcomes of the Improvement Program to ensure that these address the recommendations of the reviews and to provide a clear target state for the changes it is implementing.

Aspects of a successful reform and remediation program that icare has in place, include:

- Board oversight and appropriate governance arrangements;

- a dedicated Program Management Office; and

- first line executive sponsorship.

Moving forward, icare will need to continue to focus on developing its approach to several specific areas of the Improvement Program, including:

- finalisation of its plans to address the recommendations;

- oversight and management of program dependencies; and

- management of resourcing challenges.

Each of these areas is discussed in further detail below.

icare is currently working to refine its plans to address the recommendations from the reviews, including providing clarity and focus around outcomes. There is a need to finalise the plan associated with the Nominal Insurer Improvement Program as a matter of high priority. icare should, therefore, concentrate on the work required to finalise this plan so that (i) icare has a clear understanding of the actions it will need to take to address the recommendations of the reviews, and (ii) we can satisfy ourselves that the actions icare plans to take will effectively address these recommendations.

Given the complex and wide-ranging impacts of the changes being made as part of the Improvement Program, it is not surprising that there are significant interactions between the activities across different streams of work so that, for example, some activities cannot commence until others have been completed. The effective oversight and management of these dependencies is crucial to ensuring that icare effectively addresses the recommendations. icare should work to ensure that dependencies are adequately documented and consistently managed.

Resourcing challenges are apparent and are likely to be ongoing for the life of the Program. In particular, it is difficult to recruit and retain staff in critical roles, such as compliance and risk professionals, in the current market. icare should continue to carefully monitor and address this issue, and develop mechanisms to deal with these resourcing challenges as a matter of priority. Promontory will closely monitor resourcing throughout the execution of the Program.

Progress

Of the 107 recommendations that are relevant to icare made by the reviews, 93 are being addressed through the Enterprise Improvement Program. Another nine recommendations are being addressed through the Nominal Insurer Improvement Program. The remaining five recommendations raised in the reviews are being addressed through Business-Owned Activities outside the two sub-programs.

Considerable work has commenced across a range of areas in the Improvement Program. As at 8 February 2022, 86 percent of activities to address the McDougall Recommendations are in progress and four percent are complete pending our assessment. In relation to addressing the GAC Recommendations, 86 percent of activities are in progress and 11 percent are complete pending sign-off. It is expected that the remaining recommendations will be completed gradually by icare over the next two years.

While the Improvement Program has a long-term perspective, that does not negate the importance of giving it top priority and a sense of urgency. On this point, adherence to timetables for program deliverables and the early focus on results is important for the ongoing commitment that will be required for effective implementation.

Recently, icare has made significant progress towards establishing its closure packs process, which will form the basis of our assessment of whether the activities undertaken have adequately addressed the relevant recommendations. We will commence our assessment of these activities once the format of the closure packs is finalised and we begin to receive packs for those activities that have been completed.

We will continue to report on icare's progress in executing the Improvement Program in our future quarterly updates. We will also provide a summary in future updates on those activities that we have assessed as closed.

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, currently the NSW Minister for Finance.

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.

Other schemes managed by icare include:

- the Treasury Management Fund (**TMF**), which provides workers compensation insurance and general insurance for NSW Government Agencies;

- the Home Building Compensation Fund, which compensates homeowners for defective building work in the event that the builder becomes insolvent or has its building licence suspended;

- the Lifetime Care and Support Scheme, which pays for the treatment, rehabilitation and care of people who have been severely injured in a motor accident in NSW;

- the NSW Dust Diseases Scheme, which provides financial compensation and health care support to people affected by work-related dust diseases; and

- the Sporting Injuries Compensation Scheme, which provides benefits for people seriously injured while playing sport.

Concerns about icare's compliance and performance in recent years have 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 findings and recommendations of the McDougall Review and GAC Review (**Reviews**) provide the basis for the Improvement Program and are discussed in further detail below.

Further reviews of icare include:

- the *Operational review of Insurance and Care and delivery of recommendations of the Dore Report*, which focused on icare's progress in addressing previous recommendations made in relation to claims management.

- RSM Australia's *Independent Review of icare – Probity and Procurement*, which considered the application of probity and procurement related policies and practices within icare.

- Effective Governance's *icare Governance Review*, which covered governance, Board effectiveness and accountability within icare.

- Cumpston Sarjeant's *Independent Review of icare – Financial Sustainability*, which focused on the financial sustainability of the NI Scheme.[1]

While these additional reviews provide context for and lead into the recommendations made by the Reviews, the recommendations of these additional reviews are outside the scope of Promontory's engagement.

The McDougall Review

The terms of reference for the McDougall Review were wide-ranging and included:

- a comprehensive organisational review of icare;

- a review of the government-managed workers compensation schemes and the legislative framework that supports them;

- a statutory review required by the SICG Act; and

- providing recommendations for improvement.[2,3]

The activities of the McDougall Review included conducting interviews, document reviews, external expert reviews and public consultation.

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[1] The authors of these reviews were engaged by NSW Treasury for the purpose of providing input into the McDougall Review.

[2] Government-managed workers compensation schemes include the NI Scheme and the TMF.

[3] The SICG Act requires that the Responsible Minister review the Act 'to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives' as soon as possible after five years from assent of the Act.

The McDougall Review culminated in a report (**McDougall Report**) which was published on 30 April 2021.[4] The McDougall Report made a number of findings. A summary of the key conclusions include:

- Changes made by icare were executed too quickly and without adequate testing. Many of the problems that icare experienced as a result were readily foreseeable.

- icare did not establish and follow proper and prudent procurement practices. As a result, procurement was conducted on an opaque basis and in a way that did not ensure value for money.

- icare did not pay a great deal of attention to establishing and embedding sound probity principles. icare's executives accepted gifts and benefits that were not recorded promptly and appropriately.

- icare failed to develop and embed sound principles relating to the disclosure and management of conflicts of interest. Clear and obvious conflicts were not recorded formally and promptly and, in some cases, were not adequately managed.

- In icare's early days attempts to insist on sound practices and processes were rebuffed, and those who sought to do so were ostracised. There is evidence that employees were discouraged from bringing cultural and operational shortcomings to senior management.

Several of these findings were attributed, in part, to the program of change undertaken soon after icare was established. The McDougall Report found that icare's determination to effect speedy change gave rise to procedural and cultural defects that resulted in a disregard for practices and procedures.

Importantly, the McDougall Report found that there was no evidence of criminality or corruption, no basis for finding that icare's culture was 'toxic', and no present threat to the workers compensation schemes' financial sustainability.

The McDougall Report made 31 recommendations relevant to icare (**McDougall Recommendations**). The key McDougall Recommendations include:

- icare should be bound to a procurement and probity framework equal to that of other Government Agencies;

- icare should prepare and publish a plan for cultural change, which addresses key risk factors, and report annually to the Treasurer of NSW on its progress;

- the icare Board should include one or more members who possess extensive public sector experience and workers compensation insurance experience; and

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[4] The McDougall Report is available here.

- there should be a further independent cultural review of icare by 2023.[5]

The GAC Review

The GAC Review involved:

- the assessment and identification of gaps in governance, accountability and culture; and

- the development of findings to address the observed gaps in governance, accountability and culture.

In developing its findings, the GAC Review considered information from document reviews, interviews, focus groups, case studies and a survey.

The GAC Review resulted in a report (**GAC Report**) which was published on 1 March 2021.[6] The GAC Report made a number of findings. The key GAC Report conclusions include:

- There was a lack of clarity in the type of organisation icare is seeking to be and the compliance standards it is seeking to achieve. icare has expressed a desire to comply with APRA-type regulatory standards, but this has not been reflected in icare's policies, processes and procedures.

- There has been a lack of discipline in delivering timely and quality outcomes to customers. The voice of customers has not been appropriately represented in governance processes.

- The framework for risk and compliance requires significant improvement and embedding into the organisation.

- There is a need to significantly improve the identification, escalation and approach to issues management.

- Accountabilities for decisions, outcomes and performance have not been well-defined or embedded.

- icare's leadership has not invested sufficient time in reflecting, learning and course-correcting. A preoccupation with transformation tasks rather than outcomes has created a tendency to look forward, without learning sufficiently from the past.

While the GAC Report identified a number of weaknesses that have affected icare's performance over time, it also identified several strengths. Importantly, the GAC Report noted that a customer vision is at the core of what drives icare.

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[5] A number of recommendations from the McDougall Report do not apply to icare as they relate to legislative or regulatory improvements. All references to the McDougall Recommendations only include those recommendations that apply directly to icare.

[6] The GAC Report is available here.

The GAC Report contains 76 recommendations relevant to icare (**GAC Recommendations**). The GAC Recommendations relate to:

- strengthening the role of the Board, with the aim of creating a diverse board that actively ensures icare's obligations are met and sets a strong tone from the top;

- strengthening senior leadership oversight, with the aim of creating an executive team that proactively manages risks and obligations;

- strengthening risk management & compliance, with the aim of creating a risk aware organisation that consistently makes sound decisions and actively prevents loss or harm to customers;

- strengthening issue identification, escalation & resolution, with the aim of ensuring that employees are capable, confident and disciplined in identifying, dealing with and learning from issues;

- reconsidering icare's relationship with outsourced service providers (**Scheme Agents**), with the aim of fostering outcomes-focused partnerships with Scheme Agents based on commerciality, transparency and accountability;

- strengthening prioritisation & decision-making, with the aim of ensuring risk management is incorporated into investment and execution prioritisation;

- increasing accountability, with the aim of establishing clear accountabilities across all levels, enabled by real performance management and consequences; and

- strengthening icare's culture, with the aim of creating a culture in which perceptions, attitudes and behaviours of icare staff reinforce the importance of governance, risk and accountability.

The Improvement Program

In response to the Reviews icare publicly expressed its commitment to improve in all areas. In announcements on its website, icare acknowledged the mistakes of the past, and accepted the findings and conclusions of the Reviews.[7] icare also noted that it will take 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 (**Recommendations**) are being addressed through icare's Improvement Program. The Improvement Program is focused on three key areas:

- improving risk and governance to meet community and regulatory expectations;

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[7] For example, see icare's announcements on 30 April 2021 here.

- improving performance, particularly by getting injured workers back to work sooner and reducing internal costs; and

- driving an accountable culture.

The Improvement Program has commenced, and material provided by icare indicates that substantial work is underway across areas of the Improvement Program.

As at 8 February 2022, 86 percent of activities to address the McDougall Recommendations are in progress and four percent are complete pending our assessment. In relation to addressing the GAC Recommendations, 86 percent of activities are in progress and 11 percent are complete pending sign-off. It is expected that the remaining recommendations will be completed gradually by icare over the next two to three years.

Promontory's Role

In November 2021, after a public tender process, Promontory was appointed to provide independent assurance over the progress of icare's Improvement Program as it relates to the Recommendations of the Reviews.

We finalised our first report on the Improvement Program on 6 December 2021 (**Interim Establishment Report**). The Interim Establishment Report provides a preliminary summary of how icare set up the Improvement Program and our role in providing independent assurance over it.

This is our second report, which provides a final description of how icare has set up the Improvement Program, including a description of developments since the Interim Establishment Report, and our role in providing independent assurance (**Final Establishment Report**). It also provides a summary of icare's progress in addressing the Recommendations of the Reviews (**First Quarterly Update**).

For the purposes of this Final Establishment Report we have included a description of developments that occurred from 6 December 2021 to 28 February 2022 (**Reporting Period**). The status of icare's progress against the Recommendations is reported as at 31 January 2022 (**Reporting Date**).

1.2. Report Structure

The remainder of this report is structured as follows:

- Chapter 2 describes the current structure of the Improvement Program and key developments that occurred during the Reporting Period.

- Chapter 3 sets out our early observations on how the Improvement Program is being managed and the areas on which icare should focus moving forward.

- Chapter 4 reports on the progress icare has made in addressing each Recommendation to date.

Part A – Final Establishment Report

2.   The Improvement Program

In response to the GAC Report and McDougall Report (**Reports**), icare established an Improvement Program, which consists of two sub-programs:

- the Enterprise Improvement 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 Program (**NII Sub-Program**), which aims to address the Recommendations of the Reviews that apply to the NI Scheme.[8]

The overall program of work to execute the EI and NII Sub-Programs as they relate to the Recommendations of the Reviews constitute the Improvement Program.

Of the 107 Recommendations made by the Reviews, 93 are being addressed through the EI Sub-Program.[9] Another nine Recommendations are being addressed through the NII Sub-Program. The remaining five Recommendations raised in the Reviews are being addressed through Business-Owned Activities outside the EI Sub-Program and NII Sub-Program (**Sub-Programs**).

During the Reporting Period icare continued to refine its approach to several aspects of the management and governance of the Improvement Program. Section 2.4 outlines developments around Program management and governance including:

- ensuring effective delivery of the Improvement Program;

- monitoring the Improvement Program at governance forums; and

- providing internal assurance over the 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. Further details on the Enterprise Improvement Plan (**EI Plan**) and the Nominal Insurer Improvement Plan (**NII Plan**) are set out below. icare's approach to the Business-Owned Activities is also discussed below. The EI Plan, NII Plan and the plan to complete the Business-Owned Activities collectively make up the plan for the Improvement Program.

During the Reporting Period, work was undertaken to refine the EI Plan, the NII Plan and the approach to the Business-Owned Activities (**Plans**). One important aspect of this work was to improve the level of consistency between the Plans. This work continues, especially in respect of the NII Plan and

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[8] Some recommendations made by other reviews are also being addressed through the EI Sub-Program and NII Sub-Program, but, as noted above, these recommendations are outside the scope of our engagement.

[9] While only 107 Recommendations are relevant to icare, the Reports made 125 recommendation in total.

approach to the Business-Owned Activities. The changes that have been made to date, and the current structure of the Plans, are discussed below.

2.1. The Enterprise Improvement Plan

Since our Interim Establishment Report, the clarity of and consistency within the EI Plan have been improved. For example, there is now less duplication, with certain elements of the EI Plan now appearing only once instead of multiple times. The terminology used throughout the EI Plan has also been made more consistent and key terms have been defined. icare has worked to apply a consistent format across all actions within the EI Plan. These improvements are more than questions of style, they go to the ability of icare to track Program progress, compare different activities and consistently manage reporting.

The form of the EI Plan consists of a three-level structure as set out below:

- Streams, which are thematic areas of work that icare is completing to address the Recommendations;

- Initiatives, which are the high-level remedial activities to be undertaken within the Streams; and

- Key Milestones, which are the specific actions that icare will complete within the Initiatives.

Further details on each of these elements are provided below.

Streams

As discussed in our Interim Establishment Report, the EI Plan is divided into the following six Streams:

- *Governance*, which aims to ensure that leaders set a clear direction and make the right decisions at the right time.

- *Risk Uplift*, which aims to deliver appropriate structure, governance, processes, resources and education to drive sound risk-based decision making and consistent risk management behaviour in icare.

- *Procurement Uplift*, which aims to ensure that icare delivers the five objectives of the NSW Government procurement guidelines and that icare is a customer of choice for suppliers.

- *Customer Uplift*, which aims to ensure that icare listens to its customers, learns from their insights and acts to continually improve customer outcomes.

- *Culture & Accountability*, which aims to embed an open, constructive and accountable culture that enables the organisation to meet the expectations of the people and businesses that icare serves.

- *Enterprise Sustainability*, which aims to ensure that icare schemes have long-term sustainability and benefit realisation.

The key attribute at the Stream level is the Stream Target State, which describes how icare intends to operate once the Recommendations are addressed through the Initiatives delivered under the Stream.

During the Reporting Period, we met with icare to discuss in detail the work being conducted under each of these Streams.

Initiatives

Each Stream is made up of a number of Initiatives. Examples of Initiatives include:

- the development or refinement of a framework, policy, procedure or process;

- system improvements;

- the refinement of a governance structure or committee charter; and

- the uplift of capability through training.[10]

The key attribute at the Initiative-level is the Scope of Work, which is a high-level summary of the actions that icare will take under that Initiative to progress towards achieving the Stream Target State.

Each Initiative is also linked to one or more Recommendations, which provides an indication of which GAC or McDougall Recommendations will be addressed, either in whole or in part, by that Initiative.

Key Milestones

Each Initiative is made up of a number of Key Milestones, which are the specific actions required to achieve the Initiative Scope of Work and address the Stream Target State.

The Key Milestones are categorised as being in one of three Phases: Design, Implement or Embed. The Design Phase involves designing an approach to achieve the Initiative Scope of Work and address the Stream Target State, the Implement Phase involves the initial roll-out or launch of that approach, and the Embed Phase involves achieving demonstrated operational effectiveness and sustainable outcomes.

Key Milestones have the following attributes:

- Key Milestone description, which describes in detail the actions that icare will take under that Key Milestone;

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[10] There is not a one-to-one mapping between the Recommendations and Initiatives. Many of the Initiatives contribute towards addressing more than one Recommendation. Conversely, for a Recommendation to be addressed, a number of Initiatives, within or across Streams, need to be successfully completed.

- Definition of Done, which describes the closure criteria required for Key Milestones in each Phase to be completed; and

- Due Date, which is the date when icare expects to complete work on each Key Milestone.

The EI Plan continues to evolve, in part in response to the findings of our Health Check, which are discussed in section 2.6 below. Notwithstanding these refinements to the content and form of the EI Plan, we expect that the key aspects of the EI Plan as they currently stand will form the foundation of this Plan as the Improvement Program proceeds.

2.2. The Nominal Insurer Improvement Plan

Since our Interim Establishment Report, icare has worked on restructuring the NII Sub-Program to improve the level of clarity and consistency. While some improvements have been made to date, there is still much to be done. We expect that there will be significant refinement to both the content and form of the NII Plan over the next reporting period as icare works to simplify the NII Sub-Program.

The initial format of the NII Plan was different in some areas to that of the EI Plan. During the Reporting Period icare noted that it will work to ensure that there is a greater level of consistency across the entire Improvement Program, particularly in relation to the terminology used.

As with the EI Plan, the NII Plan has a three-level structure, with the following key attributes:

- Streams with a Stream Target State.

- Initiatives with a Scope of Work.

- Key Milestones with a Key Milestone description and Definition of Done.

As mentioned above, further work is being done to evolve, clarify and simplify the NII Plan. The changes to be made to the NII Plan stem, for the most part, from the outcomes of a Workers Compensation Leadership Team Planning Workshop (**Planning Workshop**) held in January 2022 in relation to the NII Sub-Program. The purpose of the Planning Workshop was to confirm key deliverables and scope, and agree key decisions and actions for the next stage of the NII Sub-Program. This involved conducting a review of the scope of each Stream, and determining whether they continued to meet the initial requirements, or whether they should be reviewed and adjusted.

As discussed in the Interim Establishment Report, the NII Plan was initially divided into the following seven Streams:

- the Improve RTW & Claims Outcomes Stream, which aimed to improve how icare manages Return To Work performance, refine operational claims management practices and improve operational governance;

- the Performance Metrics & Reporting Stream, which aimed to provide an end-to-end view of the NI Scheme performance against defined performance measures;

- the Risk & Compliance Stream, which aimed to implement a sustainable Quality Assurance framework to ensure on-going reduction in process and framework failures;

- the Claims Model & Service Provider Strategy Stream, which aimed to refresh icare's claims management strategy and model, and deliver improvements that enhance return to work rates and scheme sustainability;

- the Improve Employer Experience Stream, which aimed to better address the needs of Employers;

- the Professional Standards Capability Stream, which aimed to enable the sourcing, development and retention of talent in the industry to further enhance the quality of claims management; and

- the Optimise Systems & Technology Stream, which aimed to deliver system improvements and improved business processes that enable enhanced customer experiences, self-service and operational efficiencies across icare and claims service providers.

Outcomes of the January Planning Workshop on the NII Sub-Program included changes to the structure and operating rhythm of the NII Sub-Program. Changes were also made to the NII Sub-Program in light of the fact that work under certain Streams had moved into the Embed Phase, and were in the process of being closed and removed from the NII Plan scope of work. Discussion during the Planning Workshop resulted in significant refinement within the NII Sub-Program to simplify the Streams to focus on the Recommendations.

Revisions being made to each Stream are as follows:

- the Claims Model & Service Provider Strategy Stream will be expanded into the following three separate Streams:

  - the Claims Model Blueprint & Implementation Stream, which aims to enhance Claims Service Providers' (**CSPs**) performance management, operational processes and culture;

  - the Claims Service Provider Procurement Stream, which aims to procure CSPs in line with the Board approved claims service provider strategy; and

  - the Claims Service Provider Transition Stream, which aims to onboard new CSPs, migrate data and transition existing claims;

- the Professional Standards Capability Stream will continue as a single Stream with its previous scope;

- the Improve Return to Work and Claims Outcomes Stream will be incorporated in the Business-Owned Activities, with reporting and governance continuing through the NII Sub-Program; and

- The remaining four Streams will continue to be implemented, embedded and closed once completed.[11]

Although the new structure of the NII Sub-Program took effect immediately, the four Streams to be closed remain part of NII Sub-Program for now. These Streams will be progressively closed and removed from the NII Sub-Program. While some of these Streams are likely to be closed over the near-term, others may take longer to be removed from the NII Sub-Program. icare expects to reduce the number of Streams in the NII Sub-Program to five before end-June 2022.

icare intends to refine the NII Plan so that it reflects the changes that are being made to the NII Sub-Program. Currently icare is working on finalising the timeline for the revised NII Plan, with the aim of having it in place by our next update. icare's external stakeholders, including SIRA, will be looking for the NII Plan to be finalised during the upcoming reporting period to ensure that it achieves the desired outcomes within the expected timeframe.

Once the revised structure of the NII Plan is finalised, icare intends to validate the mapping of each Initiative to the GAC or McDougall Recommendations addressed by that Initiative. While the NII Plan currently has set some Due Dates at the Initiative-level, another key aspect of the NII Plan that will require development is the clarity around the Due Dates for each Key Milestone.

icare is in the process of recruiting for key roles that are required as part of the enhanced NII Sub-Program structure. In particular, icare is recruiting and onboarding staff to fill program delivery and change management roles.

During the Reporting Period, we received additional information on the overall rating of the NII Sub-Program. Encouragingly, icare has had open and constructive conversations in relevant governance forums about the drivers of the risks to the NII Sub-Program status and potential fixes. Some of the contributing factors to the overall rating of the NII Sub-Program are:

- scope changes due to the revisions being made to the NII Plan;

- resourcing challenges, primarily around recruiting staff to key roles, that have led to delays on some aspects of the NII Sub-Program; and

- a backlog of work under the Optimise Systems & Technology Stream, on which several other Streams have a dependency.

In summary, while considerable work has been undertaken, the NII Plan continues to be a work in progress. Over the coming reporting period, Promontory will continue to monitor the changes being made to the NII Plan as it is finalised.

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[11] As discussed in section 2.5.2, work under those Initiatives that address the Recommendations will still be assessed by Promontory to ensure that the activities that icare has completed effectively address the relevant Recommendations.

2.3. Business-Owned Activities

Since our Interim Establishment Report, the number of Recommendations icare is addressing through Business-Owned Activities (i.e., Recommendations being addressed outside the formal EI or NII Sub-Program) has been reduced. This is because one Recommendation has been incorporated into the EI Plan.

Previously, six Recommendations were being addressed through Business-Owned Activities (previously referred to as Business-As-Usual Activities). One of these Recommendations has since been absorbed into Initiatives under the EI Plan. This leaves five Recommendations to be addressed through Business-Owned Activities.

icare is currently documenting the activities being undertaken by these Business-Owned Activities in a format that is consistent with the Improvement Program. icare is also updating the EI and NII Plans to incorporate the actions it was previously completing through Business-Owned Activities. As all of these activities relate to Recommendations within our scope, we will review both the Business-Owned Activities plan, and changes to the EI and NII Plans once they are finalised.

2.4. Oversight and Management of the Improvement Program

During the Reporting Period icare continued to refine its approach to several aspects of the Improvement Program. The following sections outline icare's current approach to:

- ensuring effective delivery of the Improvement Program;

- monitoring the Improvement Program at governance forums; and

- providing internal assurance over the Program.

2.4.1. Program Delivery

Figure 2.1 below provides a view of the roles associated with delivery of the Improvement Program.

Figure 2.1: icare Improvement Program Delivery Roles
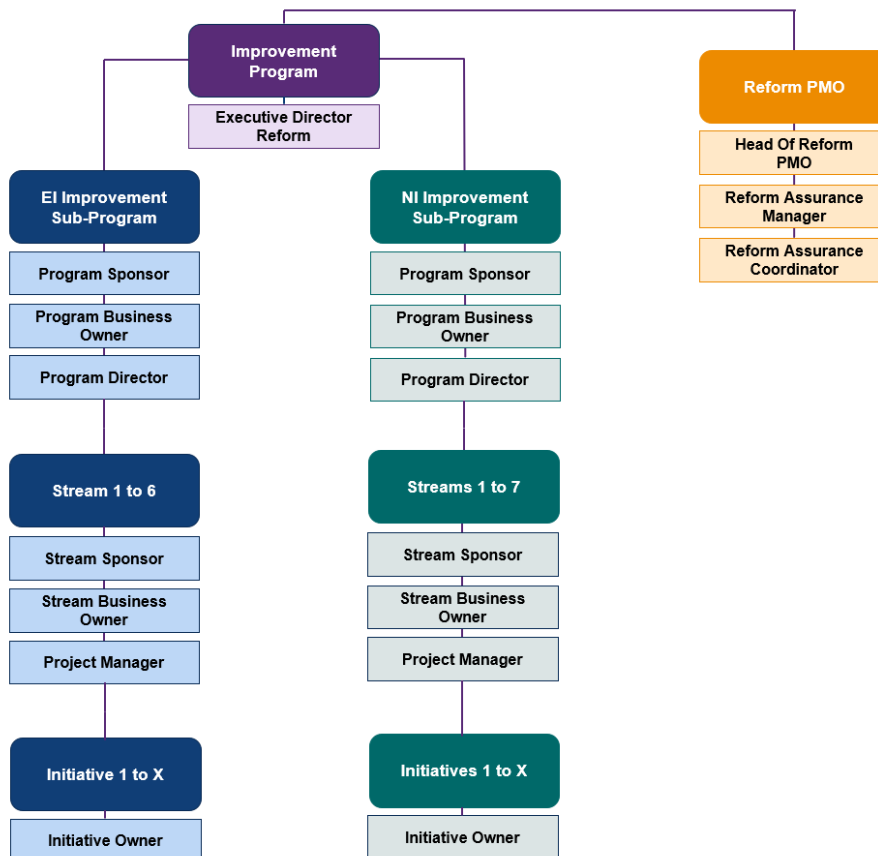
The Executive Director Reform continues to have accountability for managing and coordinating the delivery of the Improvement Program as it relates to the Recommendations of the Reviews. The Executive Director Reform is also responsible for leading icare's response to the Recommendations and for driving the strategic direction of the Improvement Program. Elements of this role include:

- coordinating and engaging with internal stakeholders across the Streams to ensure delivery of agreed solutions and outcomes;

- providing strategic advice on best practice, governance and sustainable reform strategies;

- facilitating Program governance structures;

- providing progress reports to governance committees, the Group Executive Team (**GET**) and Board; and

- communicating with key stakeholders on program objectives, progress and outcomes.

The Executive Director Reform is supported by the Reform Project Management Office (**Reform PMO**), which was established in November 2021 as a central team to manage the delivery of the Improvement Program as it relates to the Recommendations of the Reviews. The Reform PMO is now fully staffed, with the head of the Reform PMO appointed in December 2021.

The purpose of the Reform PMO is to deliver sustainable outcomes addressing the Recommendations of the Reviews. The Reform PMO Charter sets out its objectives, which include:

- providing quality assurance of program artefacts to ensure quality, simplicity and consistency;

- reviewing and challenging Program delivery and outcomes;

- ensuring accurate and complete reporting of Program progress, including to the Board, GET, SIRA and Treasury;

- maintaining an effective internal and external stakeholder engagement strategy; and,

- coordinating the engagement with Promontory.

At the Program-level, the delivery roles in relation to the EI and NII Sub-Programs include:

- The Program Sponsor, who is the Executive accountable for the overall outcomes of the Program, and for reporting to the Executive Steering Committee, CEO, Board and SIRA.

- The Program Business Owner, who is responsible for the delivery of Program outcomes, including the realisation of the Definitions of Done, and for ensuring sound governance processes.

- The Program Director, who is responsible for co-ordination across the Streams, and for supporting the integrated delivery of Stream outcomes for the Program.

At the Stream-level, the delivery roles in relation to the EI and NII Sub-Programs include:

- The Stream Sponsor, who is the Executive accountable for the Stream outcomes and for holding Stream Business Owners to account.

- The Stream Business Owner, who is responsible for the management of dependencies and for working with the Reform PMO Team to ensure consistent disciplines are applied across Streams.

- The Program or Project Manager, who is responsible for delivering Stream outcomes and for partnering with the Reform PMO to manage integrated delivery requirements.

At the Initiative-level, the Initiative Owner is responsible for delivering Initiative outcomes, managing Initiative dependencies, and working with the Project Manager to ensure consistent disciplines are applied across Streams.

Multiple roles associated with delivery of the Improvement Program can be held by the same person. In practice, there is significant overlap in the roles that may be held by one person at the Sub-Program, Stream and Initiative Level. For instance, in several cases the same person is both the Stream Business Owner and the Initiative Owner for a particular Initiative under a Stream. While there are benefits to this approach, icare will also need to manage the risks, which include the potential for a lack of clarity around accountability.

The Improvement Program is being executed in the context of a larger portfolio of projects being undertaken by icare. icare's Program Delivery Team, which we met with during the Reporting Period, is responsible for oversight of the delivery of all strategic projects across the organisation, including the Improvement Program.

icare's Program Delivery Team monitors, challenges and reports to senior leaders on the delivery status across the entire portfolio of projects.

icare's Program Delivery Team are custodians of 'the icare way', a project delivery framework that sets out a consistent approach for the execution of all projects across the organisation. Central to the framework is a series of stage gates to ensure projects adhere to required governance disciplines and meet minimum standards. The icare way also includes a standard set of status definitions and escalation guidelines to be used in all projects in the portfolio.

Another aspect of the icare way is the approach taken to funding projects. In the case of the Improvement Program, funding is reviewed and approved by the icare Board for the upcoming financial year based on forecast expenditure. The Improvement Program then undertakes regular reassessments of whether the level of funding needs to be adjusted up or down.

- icare must be careful to ensure that this approach supports effective program implementation over both the short and longer term. We will continue to monitor icare's approach to funding the Improvement Program in future reporting periods.

- The Improvement Program also tracks actual funding use at the Stream level on a monthly basis. Actual expenditure is then linked to estimates of available resources. Funding and resourcing issues are reported to and discussed at Program governance forums.

icare's Program Delivery Team has oversight of the Reform PMO in relation to its use of the icare way and the status of the Improvement Program.

2.4.2. Program Governance

Governance over the Improvement Program is provided primarily by the Board and Executive Steering Committees.

Other governance forums, including the Change Councils, Program Management Meeting and Stream Steering Committees also provide governance in respect of specific aspects of the Improvement Program. These forums all feed into the Executive Steering Committees.

The icare Board provides oversight of the EI and NII Sub-Programs and will monitor progress in executing the Program. Program-level status reports, as well as deep-dive reports on the status of and activities being completed under individual Initiatives, are a regular agenda item at Board meetings. Progress in addressing the Recommendations is included in the reporting to the Board. Promontory attended a Board meeting in December 2021 and presented to the Board on our initial observations of the Improvement Program, and to discuss our Interim Establishment Report. We also attended a Board meeting in February 2022 to provide a status update on the Improvement Program.

Previously, a single Executive Steering Committee had oversight of both the EI and NII Sub-Programs. In December 2021, separate Executive Steering Committees for each of the EI and NII Sub-Programs were established. The Executive Steering Committees meet on a monthly basis. Membership of each Executive Steering Committee includes all Group Executives, the Executive Director Reform, Program Directors, Program Business Owners and Line 2 representation.

The responsibilities of the Executive Steering Committees include:

- monitoring and guiding the overarching performance and progress of the relevant Program;

- leading the strategy, stakeholder engagement and communications in relation to the Program;

- monitoring Program assurance; and

- monitoring material Program risks and resolving escalated matters.

The Executive Steering Committees are provided with detailed dashboard reports on the status of the Program, Streams and Initiatives. These reports also provide progress updates and descriptions of the key risks and issues faced by each Sub-Program. icare is moving toward providing consistent reporting to both the EI and NII Sub-Program Executive Steering Committees.

Material is presented by both Stream Sponsors and Stream Business Owners. The updates from Stream Business Owners enabled the Executive Steering Committees to discuss granular details of the Sub-Programs, while remaining focused on material issues, risks and challenges.

We observed several meetings of the Executive Steering Committees in December 2021, and January and February 2022.

During these meetings we observed open and constructive discussion on the status of each of the Sub-Programs and the individual Streams, including transparent commentary on the likelihood of successful delivery. We observed active questioning and challenge from meeting participants, including Line 2.

Importantly, there was also a willingness to realistically rate the status of the Sub-Programs, Streams and Initiatives, using the Red, Amber or Green (**RAG**) rating system. For programs of this size and complexity, a universal green status at all times would be an unrealistic expectation and could potentially point to unrealistically optimistic assessments (noting that icare had been identified in the GAC Review as having a positive news bias). Effectively managed programs need to have accurate

and transparent assessment of program status, and in this way a less than green rating can be a 'call to action'.

In addition to the Program Executive Steering Committees, key Improvement Program governance forums include:

- The EI Change Council, which is a monthly forum for reviewing change capacity and ensuring icare is set up for successful and sustainable change. The forum monitors the schedule of planned activities, and considers sequencing and capacity.[12]

- Program Management Meetings, which are monthly meetings with Stream Business Owners to discuss tactical elements and dependencies related to each Program. The meeting also ensures delivery remains on track to meet the agreed target objectives.

- Stream Steering Committees, which ensure that Stream delivery remains on track for more complex Streams.[13]

icare continues to refine the Program's governance forum structure. We will continue to attend relevant governance forums as the structure is refined, including in relation to the NII Sub-Program.

icare is currently undertaking work to standardise reporting to governance forums for the portfolio of projects across icare. This work includes ensuring that risks, issues and dependencies are accurately and consistently reported.

2.4.3. Internal Assurance

Line 1 oversight of the Improvement Program includes signoff, of the Closure Pack submitted to Promontory. This signoff, by individuals responsible for Program delivery, certifies that the relevant Phase of an Initiative has been completed in line with the description set out in the Plans.[14]

Line 2 also plays a role in reviewing the Improvement Program. To date this has included providing advice on the risk profiles for the Sub-Programs, and attending, as risk representatives, the Steering Committees and other governance forums to provide challenge. In some cases, Line 2 also has direct involvement in executing the Improvement Program.

Challenge was provided by Line 2 at the Executive Steering Committee meetings we observed during the Reporting Period. Challenge was provided in relation to icare's capacity to absorb change and plans to improve Stream status to Green. We expect the level of challenge provided by Line 2, and

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[12] The NII Change Council will be established once the NII plan is finalised.

[13] Stream Steering Committees exist for the Procurement Uplift Steering Committee, Risk Uplift Steering Committee, Governance Reference Group and Enterprise Sustainability Working Group under the EI Sub-Program.

[14] Line 1 refers to icare's first line of defence, the front line and operational function. Line 2 refers to icare's second line of defence, the risk function. Line 3 refers to icare's third line of defence, the internal audit function.

other members of the Executive Steering Committees, to continue to increase as the Executive Steering Committees establish their operating rhythms.

While the details are yet to be formalised, future review by Line 2 may also include:

- Line 2 signoff on the completion of each Phase of an Initiative; and

- Line 2 targeted reviews of various aspects of the Improvement Program.

Line 3 also has a role to play in reviewing the Improvement Program. As well as Line 3's ongoing oversight of whether Line 1 and Line 2 are operating effectively, the FY22 audit plan includes reviews that may touch on parts of icare that are affected by the Improvement Program, such as the risk management framework. Line 3 is also considering its role in relation to monitoring the sustainable embedment of Initiatives.

During the Reporting Period, Promontory met with icare's newly appointed General Manager of Internal Audit to discuss the audits being undertaken by Line 3 and Line 3's role in monitoring sustainability. We will continue to meet with Line 3 on a regular basis over the course of our engagement to share findings and to ensure that assurance efforts are not duplicated.

2.5. Promontory's Role

As described in our Interim Report, Promontory's role is to:

- monitor the status of the Improvement Program;

- assess 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

- report on our findings.

The scope of each component of our role is limited to the aspects of the Improvement Program that relate to addressing the Recommendations of the Reviews.

The following sections set out the approach we will take to performing each component of our role.

2.5.1. Improvement Program Assurance

The objective of our assurance over the Improvement Program is to determine whether the relevant parts of the Program are on-track and likely to be successful in addressing the Recommendations of the Reviews.

To achieve this objective we will monitor the status of the Improvement Program through multiple channels.

As part of our monitoring we will review Program status reports to understand the current state of the Improvement Program and potential risks to its successful execution. We will also participate in briefings and observe governance meetings, such as the Steering Committees, to monitor the management of risks to the Improvement Program.

Where changes are made to the Plans, we will also review those changes in order to ensure that the planned activities remain adequate to address the relevant Recommendations.

In monitoring the status of the Improvement Program, we will make an assessment of the ongoing adequacy of key elements of 'program infrastructure' such as governance and reporting, communication and resourcing. Where we identify potential concerns, or opportunities for improvement, we will raise these, in the first instance, during our weekly project management meetings with members of the Reform PMO. We may also provide some commentary on potential risks to the Improvement Program in our quarterly updates, which are discussed in further detail in section 3.3 below.

A key part of our role involves regular communication with the regulatory authority, SIRA. We will engage regularly with SIRA on the progress of the Improvement Program as it relates to addressing the Recommendations, and any risks to successfully addressing the Recommendations that we have identified. We commenced meetings with SIRA during the Reporting Period.

2.5.2. Initiative and Recommendation Assurance

The objective of our assurance over Initiatives and Recommendations is to assess whether the activities that icare has completed are effective in addressing the Recommendations of the Reviews.

To achieve this objective we will assess whether each Phase of an Initiative has been completed in line with the description set out in the relevant Plan, and whether it effectively contributes to achieving the Stream Target State. We will also assess whether each Recommendation has been effectively addressed by the relevant Initiatives once all Key Milestones have been completed.

As a basis for our assessments, icare will provide a Closure Pack for each Phase that includes a description of the actions it has taken as part of that Phase and evidence that demonstrates the effectiveness of those actions. The evidence provided in the Closure Pack may be complemented by a meeting to discuss the actions icare has taken in detail (particularly for more complex activities).

Once the Closure Pack has been delivered we will begin our initial assessment of that Phase. Some of the factors we will consider during our initial assessment will include whether:

- better practice has been reflected in icare's approach;

- there has been adequate discussion and challenge in the development of the approach;

- the right people or committees have reviewed, endorsed and approved the changes;

- all Key Milestone descriptions and Definitions of Done that make up the Phase have been adequately addressed; and

- the actions icare is taking effectively contribute to achieving the Stream Target State.

Where we have outstanding questions after completing our initial assessment, we will seek additional evidence and reassess the Phase once this is provided. We will continue this cycle of assessment until we are satisfied that the Phase has been completed in line with the description set out in the relevant Plans and that it effectively contributes to achieving the Stream Target State.

Once we are satisfied with the evidence provided we will complete our final assessment after which the Phase is considered closed. Our final assessments for each Phase may highlight some 'commitments' that we identified during our assessment process, and which we expect to be addressed in subsequent Phases.

We will assess all Phases under both the EI and NII Sub-Programs. In addition, we will also assess any Business-Owned Activities that fall outside the EI and NII Sub-Programs, insofar as they contribute to addressing the Recommendations. An Initiative will be considered complete once all Phases of that Initiative have been closed.

We will also assess whether each Recommendation has been adequately addressed once the constituent Initiatives have been closed. Further detail on our approach to assessing the Recommendations will be provided in our future updates.

During the Reporting Period we worked closely with icare to establish the Phase assessment process. In particular, significant progress on the format and content of Closure Packs was made during the Reporting Period.

icare is currently in the process of creating Closure Packs for the first two Design Phases to be assessed. As these are the first Closure Packs, icare's approach to the closure process will likely evolve over time. During the Reporting Period we received a pilot Closure Pack that we reviewed and provided feedback on.

Our assessment process will also continue to be refined as we begin our assessments and as additional factors, such as the sustainability of the actions icare is taking, are considered.

2.5.3. Promontory's Reporting

The objective of our reporting is to provide an update on the extent to which icare has been effective in addressing the Recommendations of the Reviews.

To achieve this objective, we will prepare updates on a quarterly basis that provide the status of icare's progress over the preceding reporting period in executing the Improvement Program as it relates to the Recommendations.

The content of our updates will include:

- A summary of icare's status in addressing each Recommendation;

- A description of the actions icare has taken under each of the Phases assessed as closed during the reporting period; and

- A summary of how icare has addressed each of the Recommendations assessed as closed during the reporting period.

We may also provide some commentary on significant Program Developments during the reporting period in our updates.

We will meet with the GET and icare's Board to discuss the content of our updates. We will also discuss our observations during the reporting period with SIRA at our bilateral meetings.

2.6. Health Check

In addition to conducting the ongoing activities described above, during the Reporting Period we also conducted a one-off Health Check of the EI Plan.

The objective of the Health Check was to evaluate whether the activities planned by icare would be effective in addressing the Recommendations of the Reviews, and to provide early feedback where gaps were identified or greater clarity was required around aspects of the EI Plan.

To achieve this objective we:

- reviewed the Stream Target States, Initiatives, Key Milestones, Definitions of Done and Due Dates for clarity and reasonableness; and

- confirmed that the Recommendations would be effectively addressed by the Initiatives mapped to them if executed as written.

Our Health Check of the EI Plan was completed in early February. Some of the high-level opportunities for improvement that we identified during the Health Check included ensuring that:

- most importantly, each Recommendation is correctly mapped to the relevant Initiatives and is fully addressed by those Initiatives.

- the drafting of the Stream Target Sates accurately reflects what will be achieved through the execution of the relevant Initiatives;

- all dependencies between the Initiatives are adequately captured;

- each Key Milestone is allocated to an appropriate Phase and there is clear separation between the Design, Implement and Embed Phases;

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

32

- the Phases are appropriately sequenced and there is adequate time between each Phase; and

- the EI Plan uses clear language and includes adequate detail on the actions icare plans to take under each Key Milestone.

During February we met with icare to discuss these themes and to provide specific feedback on the EI Plan. icare is currently in the process of revising the EI Plan in light of the opportunities for improvement we identified through our Health Check.

We will conduct a Health Check over the NII Plan once it has been finalised to reflect the decisions made during the planning session, as discussed in section 2.2.

3.   Early Observations

The Improvement Program is the program of work icare has developed to uplift its governance, accountability and culture. Importantly, it aims to address the root causes of icare's governance, accountability and culture shortcomings that were identified in the Reviews.

Overall, Promontory is satisfied that the Improvement Program provides the foundations to address the wide-ranging concerns raised in the Reviews. As noted, the EI Plan is, at this stage, more advanced than the NII Plan.

icare should continue to focus on developing its approach to several key areas of the Improvement Program. Some of these areas of focus were highlighted in our Interim Establishment Report. This is unsurprising, given the short period of time that icare has had to fully address those observations since that report was finalised.

Our early observations and key focus areas for icare, which Promontory will continue to closely monitor in the upcoming reporting period, are set out in detail below. These areas are:

- finalisation of the Plans, notably the NII Plan, with a clear statement of outcomes;

- management of dependencies;

- refinement of program management disciplines; and

- ensuring effective delivery of the Improvement Program.

3.1. Plan Finalisation

As discussed in section 2.6, we undertook a Health Check of the EI Plan during the Reporting Period. As a result of this Health Check we identified a series of themes that icare should consider addressing through refinements to the EI Plan. Over the coming reporting period, icare will revise the EI Plan with a focus on addressing the opportunities for improvement identified as part of our Health Check. In doing so, it should address not just the specific comments made in relation to the EI Plan, but also give adequate attention to addressing the broader themes identified across the Improvement Program.

These refinements will enable icare to finalise the EI Plan with a clear set of actions. This will then serve as the foundation for our assurance over the relevant Initiatives. In order to ensure that future changes to the EI Plan support icare's ability to effectively address the Recommendations, icare's change management process will need to effectively track all changes and require formal approval by relevant stakeholders for substantial changes to the EI Plan.

There is a need to finalise the NII Plan as a matter of high priority. As discussed in section 2.2 we expect that the NII Plan will continue to evolve over the near term. icare should concentrate on finalising the NII Plan in the coming reporting period so that (i) it has a clear understanding of all the

actions it will need to take to address the Recommendations of the Reviews, and (ii) we can satisfy ourselves that the actions icare plans to take will effectively address these Recommendations.

During the next reporting period we will be looking to receive the finalised NII Plan, which will provide the basis for our ongoing assurance over the execution of the relevant Initiatives required to address the Recommendations.

A comprehensive and detailed plan is the foundation for the delivery of outcomes that will address the Recommendations. However, this does not mean that the Plan should be static. As with any program of this scale there will be learnings and refinements as implementation unfolds and is tested in practice. However, the key elements of the Plan need to be in place at the outset. Without this there is a risk that it may:

- be difficult to accurately gauge the change impact, resourcing requirements and progress of the NII Sub-Program;

- make it difficult to assess whether each Phase of an Initiative has been completed in line with the description set out in the NII Plan; and

- lead to a lack of clarity over the outcomes that are being targeted by each Stream.

Over the upcoming reporting period we will monitor whether the improvements made address inconsistencies between the documentation across the EI and NII Plans. icare should coordinate any changes to the Plans via an overarching approach at the level of the Improvement Program. This could be achieved through the Reform PMO, whose role includes sharing better practice across the EI and NII Sub-Programs. We will continue to monitor progress in this area over the coming reporting period.

3.2. Managing Dependencies

There will always be significant dependencies across a program of this size. The successful execution of a large number of Initiatives depends heavily on the successful execution of actions being taken (i) within the same Stream; (ii) in other Streams within the Improvement Program, and (iii) in other projects that icare is undertaking outside of the Improvement Program. For example, Initiatives under the Customer Uplift Stream have dependencies on each other, with the Governance Stream, and with the Data Integrity Program.[15]

Given the complex and wide-ranging impacts of the changes being made as part of the Improvement Program, the effective oversight and management of dependencies is crucial to ensuring that icare effectively addresses the Recommendations. In particular, all dependencies must be adequately documented so that icare can appropriately sequence the actions it plans to take under the Improvement Program. It is also vital that those dependencies are consistently managed through a

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[15] One example of this is that the work being done to uplift complaints management and handline will feed into the work being done to develop a new customer experience measure.

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

35

rigorous process that ensures that there is consideration of the impact that a change to one Initiative has on another.

There is a range of mechanisms that provide visibility over dependencies, including:

- the documentation of dependencies within the EI and NII Plans;

- the documentation of dependencies within the Risks, Assumptions, Issues and Dependencies Register;

- the dual role played by some individuals within and across Streams;

- direct meetings between the Initiative Owners of dependent Initiatives;

- the discussion of key dependencies at Executive and Stream Steering Committees; and

- the discussion of dependencies across all icare projects in governance forums outside the Improvement Program.

Dependencies related to the Improvement Program are currently being recorded and managed at multiple levels and in multiple locations. This creates a risk that some dependencies could be overlooked in icare's documentation, or fail to be actively considered by all relevant stakeholders. icare should consider a more centralised and standardised approach to recording and managing dependencies, with a single source of truth to record and monitor dependencies. This will help to create accurate and transparent management of dependencies.

icare has acknowledged that its approach to tracking and monitoring dependencies could be further improved, and is working to address this. It is currently working to document all dependencies and appoint a Master Scheduler who will be responsible for monitoring all dependencies related to the Improvement Program. We will continue to monitor progress on this aspect of the Improvement Program over the coming reporting period.

3.3. Program Management Disciplines

During the Reporting Period icare took steps to improve its Program management disciplines. icare should continue to refine its program management disciplines in relation to:

- the reporting provided to and the number of governance forums;

- the prioritisation of work to address the Recommendations; and

- how it manages resourcing constraints.

Each of these areas is discussed in further detail below.

3.3.1. Governance

During the Reporting Period we attended, as observers, various program governance forums, where discussions were held around the status of the Improvement Program. In a program of this size and complexity it would be unrealistic for the entire program to be consistently green. We observed a willingness to rate the status of aspects of the Improvement Program as less than green in an open and transparent manner where warranted. Where icare has rated the status of the Improvement Program as less than green, we have also observed open and constructive conversations about the challenges faced by those parts of the Improvement Program and potential remedies or fixes.

As program governance forums continue to establish their operating rhythms we expect that icare will further mature its approach to reporting on risks. Further challenge within governance forums will also help to identify material risks, particularly in relation to dependencies across Streams. Given that addressing the Recommendations of the Reviews is the desired outcome of the Improvement Program, icare may also benefit from reporting on its status in addressing the Recommendations to governance forums, and not just on the Initiatives.

With the recent revisions made to the structure of program governance forums, we have observed that there is a significant number of governance forums within the EI and NII Sub-Programs. While the size of the Improvement Program is considerable, it is important that its governance structures do not become overly complex and that they provide a streamlined process for program reporting, assessment, and escalating issues. We will continue to monitor this aspect of the Program closely, as governance structures evolve through the various Phases of the Improvement Program.

3.3.2. Prioritisation

The Improvement Program is one project within a larger portfolio of projects being undertaken across icare. There is therefore a need to manage competing priorities, both within the Improvement Program and with other projects.

icare has recently approved a Prioritisation Framework to guide the prioritisation process across the portfolio of projects. As this new framework is implemented some projects will be considered non-negotiable, while others will be ranked, as a way of recording relative prioritisation. icare should ensure that the activities that address the Recommendations are considered non-negotiable.[16]

Within the Improvement Program there is also a need to prioritise the work being done. As discussed in our Interim Establishment Report, we encourage icare to identify those Initiatives that will have a greater impact or generate greater challenges to deliver (such as developing a conduct risk framework under the Risk Uplift Stream). It will be important to prioritise the design, implementation and embedding of these more challenging Initiatives.

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[16] Not all Initiatives within the EI and NII Sub-Programs address the Recommendations. Some Initiatives which are outside the scope of our review are not directly linked to any Recommendation.

Encouragingly, we have observed instances where work on aspects of the Program have been revisited where icare considers that design or implementation can be improved to better achieve the Program's intended outcomes. icare needs to ensure that there is a sense of urgency to the reforms under the Program, but this should not come at the expense of the quality of outcomes.

3.3.3. Resourcing and Capability

Having the capacity and capability to effectively implement the Program is critical. Resourcing challenges and risks will need to be carefully considered and managed so that they do not undermine icare's ability to address the Recommendations of the Reviews. icare has experienced challenges recruiting for certain key roles within the Improvement Program, particularly in relation to change and technical roles, which has resulted in some Initiatives being delayed. This is, in part, the result of the current very tight market for compliance and risk professionals in Australia. icare also recently undertook an organisation restructure, which resulted in reduced resourcing levels in some areas.

icare will need to manage these resourcing challenges to ensure the successful execution of the Improvement Program so that Recommendations will be appropriately addressed.

On this point, as with similar programs in other organisations, icare is using contract or temporary staff to help meet the resourcing demands of its Improvement Program. This is not unusual, but it raises well recognised risks around the sustainability of the changes under such a program. In particular, there is a risk that there could be a loss of institutional knowledge as these staff leave the organisation. For this reason, it is particularly important that icare carefully manages the extent and allocation of temporary resources during the 'implement' and 'embed' phases. We will monitor this issue as the Program is rolled out.

3.4. Effective Delivery

The final area that icare should focus on over the coming reporting period is ensuring that the Improvement Program is delivered effectively. Specifically, icare should focus on:

- managing the ability of the organisation to absorb change;

- promoting simplicity and consistency in delivery; and

- ensuring that the changes made are sustainable.

Each of these areas is discussed in further detail below.

As icare delivers the Improvement Program, the ability of the organisation to absorb change should be closely monitored. Change fatigue is a risk in such programs, and this is better considered early rather than later.

Ensuring that the organisation can effectively absorb the planned changes has already been a topic of discussion at Improvement Program governance forums, and icare is currently testing its thinking

in this regard. In doing so, it will be important to engage with those who will be at the coalface of the changes being made, and to carefully consider their views on how to achieve sustainable change.

Another way of helping to minimise the burden of change on the organisation is by promoting simplicity and consistency in delivery. icare is delivering a complex program of work across a complex organisation. The Program should, therefore, take every opportunity to simplify where possible. As noted in earlier chapters, there are inconsistencies between the Plans, and icare is working on addressing these. More generally, such a Program provides opportunities for the consideration of differences in approach to common issues across the organisation that could be better aligned – an example is the ways in which complaints data is collected and interpreted across different Schemes.

Simplicity and consistency will also enhance the ability of icare to sustain the changes that are being made. It is promising that icare has already undertaken some early thinking on sustainability, and it should continue to work towards establishing an effective approach to ensuring that the changes it makes are sustained over the long term. In this respect, sustainability should be actively considered within each Stream as the Initiatives are rolled out. As part of the approach to sustainability, internal assurance over Program outcomes should be provided on an ongoing basis, to confirm that icare continues to operate in line with the Program's Target States.

Part B – First Quarterly Update

4.   Recommendation Progress

As discussed in section 2.5.3, part of our role is to provide a quarterly update on icare's progress in addressing the Recommendations of the Reviews.

In order to provide an indication of how far advanced icare is in addressing each Recommendation, in the sections below we set out the progress icare has made against the Initiatives that have been mapped to each Recommendation. Each Initiative, in turn, is made up of a number of Key Milestones, which are the specific actions required to achieve the Initiative Scope of Work and address the Stream Target State.

As agreed with Promontory, icare will deliver Closure Packs for assessment when all the Milestones for a given Phase (Design, Implement or Embed) of a given Initiative have been completed by icare. At this early stage of the Program, no Closure Packs have been delivered to us for assessment. Therefore, in this report we have limited our comments on progress to icare's progress in completing Key Milestones within Phases of Initiatives. In providing this progress update we have relied on icare's assessment of its progress, which is sourced from reporting provided to its internal governance forums. We have not sought to verify this internal progress. More comprehensive reporting on progress will be possible in subsequent reports, as we start receiving Closure Packs for assessment.

As noted above, Key Milestones are categorised as being in one of three Phases: Design, Implement or Embed. For example, Initiative 1.5 Board Composition has twelve Key Milestones categorised as shown below into Milestones corresponding to each Phase:

Initiative 1.5 Board Composition	Design	Implement	Embed	TOTAL
Key Milestones	6	3	3	**12**

Progress against each Initiative is reported below for Initiatives under the EI Sub-Program as at the Reporting Date, which is 31 January 2022. In the tables in Section 4.1 and Section 4.2 of this report, the column headed 'Key Milestones completed' indicates the number of Key Milestones completed within that Initiative. For example, since there are 12 Key Milestones for Initiative 1.5 Board Composition, the progress level of 33% shown in Table 4.1.1 indicates that four of the 12 Key Milestones of Initiative 1.5 have been completed by icare. The Closure Pack for Initiative 1.5 will be submitted to Promontory for assessment after the six Key Milestones for the Design Phase have been completed. References to zero percent Key Milestones completed for a given Initiative (e.g., 2.12 Develop a Conduct Risk framework in Table 4.1.3) means that, while work on the Key Milestones may have commenced, none of the individual Key Milestones had been completed as at the Reporting Date.

For the NII Sub-Program, progress is reported as at 25 January 2022. As the Recommendations being addressed by the NII Sub-Program are not mapped to specific Initiatives, the relevant Due Dates and progress on these Recommendations is not reported.

While icare is in the process of creating a plan for each of the Business-Owned Activities, we have not yet received this information. We have therefore reported where Recommendations are being addressed by Business-Owned Activities, but not on status or due dates of Recommendations being addressed in this way. Nonetheless, icare has noted that it has completed work on many of the Business-Owned Activities.

The focus of our engagement with icare to date has been on the establishment of the Improvement Program. As such, we have not conducted a detailed analysis of icare's progress on each Recommendation. We plan to include a more detailed discussion of progress against each of the Recommendations in future quarterly updates. We will also continue to refine our reporting on icare's progress as the Plans evolve.

4.1. GAC Recommendations

4.1.1. Role of the Board

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
1	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.	Enterprise Improvement Plan	Governance Stream	1.5 Board Composition	Dec-22	33%
				1.6 Committee Structure, membership and Charter Review	Jun-22	50%
2	The board to: • 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 aligned to the remit and purpose of the committee • develop strategies for addressing any ongoing skills gaps, such as through the appointment of external advisers, board development and future succession planning.	Enterprise Improvement Plan	Governance Stream	1.5 Board Composition	Dec-22	33%
				1.6 Committee Structure, membership and Charter Review	Jun-22	50%
3	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.	Enterprise Improvement Plan	Governance Stream	1.6 Committee Structure, membership and Charter Review	Jun-22	50%
4	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).	Enterprise Improvement Plan	Governance Stream	1.6 Committee Structure, membership and Charter Review	Jun-22	50%
			Risk Uplift Stream	2.10 Develop a Risk Maturity	Aug-22	83%

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
				Index for ARC		
5	CITC to increase the time it spends on the voice of the customer and customer outcomes.	Enterprise Improvement Plan	Governance Stream	1.6 Committee Structure, membership and Charter Review	Jun-22	50%
6	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.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
				1.8 Uplift quality of Board and Committee papers	Dec-22	66%
7	Adopt a more rigorous approach to actions arising, including naming accountable persons, setting a time for delivery of actions and ensuring effective monitoring completion.	Enterprise Improvement Plan	Governance Stream	1.7 Board and Committee Actions Schedule Process	Dec-21	100%
8	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.	Enterprise Improvement Plan	Governance Stream	1.7 Board and Committee Actions Schedule Process	Dec-21	100%
9	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: • consider at regular intervals, whether it should inform the Treasurer of an issue because it is a material development in icare activities table correspondence received from the Treasurer requesting information from the board on the activities of icare.	Enterprise Improvement Plan	Governance Stream	1.6 Committee Structure, membership and Charter Review	Jun-22	50%

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

43

4.1.2. Senior Leadership Oversight

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
10	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.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
11	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.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
12	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.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
13	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.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
14	The board should continue providing a clear tone from the top on icare's role as a 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 sufficient length to allow for sufficient agenda time to discuss, manage and oversee icare risks and issues.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
15	Enhance customer outcome reporting provided GET by incorporating broader leading and lagging metrics on an individual scheme basis to complement NPS reporting.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
			Customer Uplift Stream	4.1 Evolving customer experience measurement framework to align to drivers of customer outcomes	Jan-23	27%
				4.2 Transitioning icare's headline customer experience measure	Jan-23	20%

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

44

4.1.3. Risk Management and Compliance

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
16	Review and update the RMF 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 RMF is rolled out and communicated.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
17	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.3 Development of Enterprise and Business Unit Risk Profiles	Jun-22	33%
18	In relation to the RAS, 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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
19	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.	Business-Owned Activities	Work in progress[17]			
20	Develop comprehensive compliance registers and implement procedures, controls and other mechanisms to ensure compliance and effective risk mitigation.	Enterprise Improvement Plan	Risk Uplift Stream	2.5 Development of icare Enterprise Obligations Register	Dec-22	33%
21	Strengthen the non-financial risk framework and operationalise this through the development and implementation of policies, procedures, leveraging external better practice.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%

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[17] As the plans for these are still being developed, we will provide further information in our future updates on those Recommendations marked as work in progress.

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
22	Further strengthen policies and procedures in relation to conflicts and personal interest and ensure this has communicated and effectively implemented.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
23	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.2 Uplift of Risk System (Genie)	Mar-23	50%
				2.12 Develop a Conduct Risk framework	Sep-23	0%
24	Update the RMF to reflect the TPP 20-08 attestation process and uplift the rigor and assurance to support the signing of this.	Enterprise Improvement Plan	Risk Uplift Stream	2.4 Risk Management attestation uplift	Nov-22	33%
25	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
26	Establish and implement Line 1 risk committees to oversee risk and compliance in each business unit.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
27	Build the capability and resourcing of Line 1 (including the Assurance and Quality (A&Q) 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 A&Q.	Enterprise Improvement Plan	Risk Uplift Stream	2.6 Further refinement of the 3 Lines of Defence	Apr-22	50%
28	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.6 Further refinement of the 3 Lines of Defence	Apr-22	50%

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
29	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.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%
30	The CRO to be made accountable for management of the regulator relationship.	Business-Owned Activities	Work in progress			
31	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 state that Internal Audit have unfettered access to that committee, to support its independence.	Enterprise Improvement Plan	Governance Stream	1.6 Committee Structure, membership and Charter Review	Jun-22	50%
32	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.	Business-Owned Activities	Work in progress			

4.1.4. Issue Identification, Escalation and Resolution

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
33	Expand the incident management policy to describe the roles, responsibilities and accountabilities for: • effective identification and escalation of incidents • the risk assessment and rating of incidents Also reconsider the roles, responsibilities and reporting of the RAP team in light of the 3LOD principles.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.9 Issue and Incident Management	Mar-22	66%
34	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.9 Issue and Incident Management	Mar-22	66%

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

47

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
35	Improve record keeping over incidents and ensure appropriate monitoring and oversight over closure.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.9 Issue and Incident Management	Mar-22	66%
36	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.9 Issue and Incident Management	Mar-22	66%
37	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.9 Issue and Incident Management	Mar-22	66%
38	Define and document a remediation framework which sets the guiding principles, roles, responsibilities and accountability for when and how a remediation program should be established and the governance required to oversee remediation activities.	Enterprise Improvement Plan	Risk Uplift Stream	2.8 Develop a Remediation Framework	Jun-22	33%
39	Improve Line 1 and Line 2 reporting on incident identification, management and closure and feed into consequence management as appropriate.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.2 Uplift of Risk System (Genie)	Mar-23	50%
40	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.	Business-Owned Activities	Work in progress			

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
41	Uplift employee awareness of icare's obligation to report significant matters to regulator SIRA within five days.	Enterprise Improvement Plan	Risk Uplift Stream	2.9 Issue and Incident Management	Mar-22	66%
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.	Enterprise Improvement Plan	Customer Uplift Stream	4.3 Design and implement an icare customer complaints framework and policy to uplift complaints management	Dec-22	22%
43	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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.14 Establish a Speak Up Hotline	Dec-21	100%
44	Coordinate and report to ARC on the complete set of material grievance and wrong-doing 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.	Enterprise Improvement Plan	Risk Uplift Stream	2.14 Establish a Speak Up Hotline	Dec-21	100%
45	Ensure that management takes action efficiently and effectively in formal and informal matters of wrongdoing and other complaints and there is effective communication in support of this.	Enterprise Improvement Plan	Risk Uplift Stream	2.14 Establish a Speak Up Hotline	Dec-21	100%

4.1.5. Scheme Agents

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
46	Strengthen and further embed the outsourcing policy further and design the underpinning processes and procedures to fully operationalise and implement the updated outsourcing policy.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
47	Stand up the proposed outsourcing committee with standing members of GET members and 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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
48	Review existing key material outsourcing contracts against the revised Outsourcing policy requirements and update accordingly.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
49	Improve the governance over scheme agent adherence to relevant internal icare policies and ensure that scheme agents are performing to these standards.	Nominal Insurer Improvement Plan	Claims Model and Service Provider Strategy	Work in progress		
50	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.	Nominal Insurer Improvement Plan	Claims Model and Service Provider Strategy	Work in progress		
51	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.	Nominal Insurer Improvement Plan	Claims Model and Service Provider Strategy	Work in progress		
52	Once obligations, risks and controls have been documented: • document assurance roles and responsibilities in relation to scheme agents across the 3LoD • significantly improve assurance activities by the 3 LoD over scheme agents in accordance with a documented framework, supported by procedures, reporting and governance oversight.	Nominal Insurer Improvement Plan	Address Risk and Compliance Findings	Work in progress		
53	GET meetings to receive regular individual scheme and segment scorecards to ensure visibility and accountability of scheme performance.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%

4.1.6. Prioritisation and Decision Making

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
54	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 reputation risk, operational risk (e.g. IT, cybersecurity, delivery) and customer (e.g. experience, outcomes, retention).	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
55	Document icare's approach to strategic planning and prioritisation of projects.	Enterprise Improvement Plan	Governance Stream	1.2 Decision making and prioritisation	Jun-22	33%
56	Define and embed multi-dimensional criteria that consider customer outcomes, financial impacts, strategic alignment, risk appetite and alignment to icare's ethical Decision Making Framework (DMF). This will allow independent evaluation of the feasibility of each project, as well as support trade-off decisions across projects.	Enterprise Improvement Plan	Governance Stream	1.4 Delivery and prioritisation	Jun-22	12%
57	Line 2 to establish a formalised 'risk in change' approach. This should consider the nature and types of change that can impact on 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).	Enterprise Improvement Plan	Risk Uplift Stream	2.7 Establish Risk in Change	Mar-23	0%
58	Ensure Line 2 risk capability has a continuing presence and is embedded as a standing member of material steering committees and in prioritisation forums.	Enterprise Improvement Plan	Risk Uplift Stream	2.6 Further refinement of the 3 Lines of Defence	Apr-22	50%
59	Clarify and operationalise accountabilities for risk management within program roles and improve the management and oversight of risk in project decision making and delivery.	Enterprise Improvement Plan	Governance Stream	1.4 Delivery and prioritisation	Jun-22	12%
60	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.	Enterprise Improvement Plan	Governance Stream	1.4 Delivery and prioritisation	Jun-22	12%

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
61	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.	Enterprise Improvement Plan	Governance Stream	1.4 Delivery and prioritisation	Jun-22	12%

4.1.7. Accountability

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
62	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 and communicated and consideration given to leveraging practices and requirements set by other regulators.	Enterprise Improvement Plan	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Dec-23	0%
				5.4 Refreshed Remuneration Framework	Dec-23	0%
63	Amend the People and Remuneration Committee's (PRC) 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.	Enterprise Improvement Plan	Governance Stream	1.6 Committee Structure, membership and Charter Review	Jun-22	50%
64	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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Dec-23	0%
				5.4 Refreshed Remuneration Framework	Dec-23	0%

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

52

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
65	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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Dec-23	0%
				5.4 Refreshed Remuneration Framework	Dec-23	0%
66	Define and document a Consequence Management policy and/or approach that considers other levers besides financial consequences.	Enterprise Improvement Plan	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Dec-23	0%
				5.4 Refreshed Remuneration Framework	Dec-23	0%
67	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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Dec-23	0%
				5.4 Refreshed Remuneration Framework	Dec-23	0%
68	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".	Enterprise Improvement Plan	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Dec-23	0%
69	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.	Enterprise Improvement Plan	Governance Stream	1.3 Stakeholder Accountability Strategy	Sep-21	33%

4.1.8. Culture

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
70	icare should translate its strategic priorities into cultural aspirations and make them tangible for individuals across the organisation.	Enterprise Improvement Plan	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Sep-21	75%
				5.2 Leadership development for senior leaders	Jul-23	30%
				5.5 Alignment of people experiences to reinforce values and behaviours	Jul-23	16%
				5.7 Culture measurement with annual targets set and monitored	Nov-21	50%
				5.6 Refreshed HR Policy framework and content to reinforce culture, ensure role clarity for leaders as appropriate	Dec-23	0%
71	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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Sep-21	75%
				5.2 Leadership development for senior leaders	Jul-23	30%
				5.5 Alignment of people experiences to reinforce values and behaviours	Jul-23	16%
				5.7 Culture measurement with annual targets set and monitored	Nov-21	50%
				5.6 Refreshed HR Policy framework and content to reinforce culture, ensure role clarity for leaders as appropriate	Dec-23	0%
				5.4 Refreshed Remuneration Framework	Dec-23	0%
				5.3 Refreshed Performance Management Framework	Dec-23	0%

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

54

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
72	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.	Enterprise Improvement Plan	Governance Stream	1.4 Delivery and prioritisation	Jun-22	12%
73	Build leadership (GET, Chiefs and SLT) 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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Sep-21	75%
				5.2 Leadership development for senior leaders	Jul-23	30%
				5.5 Alignment of people experiences to reinforce values and behaviours	Jul-23	16%
				5.7 Culture measurement with annual targets set and monitored	Nov-21	50%
				5.6 Refreshed HR Policy framework and content to reinforce culture, ensure role clarity for leaders as appropriate	Dec-23	0%

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
74	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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Sep-21	75%
				5.2 Leadership development for senior leaders	Jul-23	30%
				5.3 Refreshed Performance Management Framework	Dec-23	0%
				5.5 Alignment of people experiences to reinforce values and behaviours	Jul-23	16%
				5.7 Culture measurement with annual targets set and monitored	Nov-21	50%
				5.6 Refreshed HR Policy framework and content to reinforce culture, ensure role clarity for leaders as appropriate	Dec-23	0%
				5.4 Refreshed Remuneration Framework	Dec-23	0%
75	Identify and embed the critical few behaviours it needs to drive effective governance and accountability practices. The 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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Sep-21	75%
				5.2 Leadership development for senior leaders	Jul-23	30%
				5.5 Alignment of people experiences to reinforce values and behaviours	Jul-23	16%
				5.7 Culture measurement with annual targets set and monitored	Nov-21	50%
				5.6 Refreshed HR Policy framework and content to reinforce culture, ensure role clarity for leaders as appropriate	Dec-23	0%

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
76	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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Sep-21	75%
				5.2 Leadership development for senior leaders	Jul-23	30%
				5.5 Alignment of people experiences to reinforce values and behaviours	Jul-23	16%
				5.7 Culture measurement with annual targets set and monitored	Nov-21	50%
				5.6 Refreshed HR Policy framework and content to reinforce culture, ensure role clarity for leaders as appropriate	Dec-23	0%

4.2. McDougall Recommendations

4.2.1. Claims Management

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
1	icare should continue its investment in skills and professional development through the Personal Injury Education Foundation (**PIEF**) 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.	Nominal Insurer Improvement Plan	Professional Standards and Capability	Work in progress		
2	icare to examine the Internal Audit Report on EML from a major risk perspective to clearly identify actions, timelines and responsibilities for overcoming the shortcomings identified in the report.	Business-Owned Activities	Work in progress			

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
3	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.	Nominal Insurer Improvement Plan	Claims Model and Service Provider Strategy	Work in progress		
4	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.	Nominal Insurer Improvement Plan	Claims Model and Service Provider Strategy	Work in progress		
5	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.	Nominal Insurer Improvement Plan	Professional Standards and Capability	Work in progress		
6	icare should: • Retain the Customer Advocate role for a further period of 12 months • 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 • Thereafter, remove the Customer Advocate role in light of existing internal capability to support business change projects.	Enterprise Improvement Plan	Risk Uplift Stream	2.11 Implement the Customer Advocate Role	Oct-22	28%

4.2.2. Probity and Procurement

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
9	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.	Business-Owned Activities	Work in progress			
10	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. These processes should align with the existing procurement obligations of government agencies and be consistent with the guidance provided by RSM.	Enterprise Improvement Plan	Procurement Uplift Stream	3.3 Transparency and Policy	Jun-22	50%
11	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. Probity and Procurement education should follow the guidance provided by RSM.	Enterprise Improvement Plan	Procurement Uplift Stream	3.4 Capability	Jun-22	42%
12	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 RSM.	Enterprise Improvement Plan	Procurement Uplift Stream	3.4 Capability	Jun-22	42%
13	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.	Enterprise Improvement Plan	Work in progress			

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

59

4.2.3. Culture – Protection of Whistleblowers and Response to Incidents

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
14	icare should update and implement policies and procedures in relation to wrongdoing to enable and better support speak-up. 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.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
				2.14 Establish a Speak Up Hotline	Dec-21	100%
15	icare's management should coordinate and report to the Audit and Risk Committee (ARC) on the complete set of material grievance and wrongdoing issues to provide oversight and an understanding of systematic themes. icare's management should implement a system of feedback to help inform future behaviours and ensure lessons are learned.	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%
16	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	Enterprise Improvement Plan	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Jun-22	66%

4.2.4. Culture – Culture Change and Assessment of Change

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
17	icare's Board should take responsibility for ongoing oversight of icare's cultural change program. 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 CGA Review Recommendations. icare should report annually to the Treasurer and publicly on its progress in executing that plan.	Enterprise Improvement Plan	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Sep-21	75%
				5.2 Leadership development for senior leaders	Jul-23	30%
				5.5 Alignment of people experiences to reinforce values and behaviours	Jul-23	16%
				5.7 Culture measurement with annual targets set and monitored	Nov-21	50%
				5.6 Refreshed HR Policy framework and content to reinforce culture, ensure role clarity for leaders as appropriate	Dec-23	0%
18	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.	Enterprise Improvement Plan	Work in progress			

4.2.5. Governance – Board Effectiveness

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
19	The Board of icare should include one or more members who possess extensive public sector experience and workers compensation insurance experience.	Enterprise Improvement Plan	Governance Stream	1.5 Board Composition	Dec-22	33%
20	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.	Enterprise Improvement Plan	Governance Stream	1.5 Board Composition	Dec-22	33%
21	That the Audit and Risk Committee (ARC) be split into a separate Audit and a separate Risk Committee.	Enterprise Improvement Plan	Governance Stream	1.6 Committee Structure, membership and Charter Review	Jun-22	50%

4.2.6. Governance – Board Terms and Succession-Planning

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
23	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.	Enterprise Improvement Plan	Governance Stream	1.5 Board Composition	Dec-22	33%

4.2.7. Governance – Executives

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
24	icare's executive leadership consider the observations and recommendations of the CGA Review with specific focus on: • Improving information flows both to the GET and to the Board; and • Ensuring icare and the GET apply best practice risk identification and mitigation practices consistently across the whole of icare's organisation.	Enterprise Improvement Plan	Governance Stream	1.1 Executive and management forums	Jun-22	50%

4.2.8. Executive Remuneration

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
25	icare to continue the approach adopted in its 2019-20 annual report of providing detailed reporting on executive remuneration, including performance payments.	Enterprise Improvement Plan	Culture and Accountability Stream	5.4 Refreshed Remuneration Framework	Dec-23	0%
26	icare's Board, on the advice of the People and Remuneration Committee (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.	Enterprise Improvement Plan	Culture and Accountability Stream	5.4 Refreshed Remuneration Framework	Dec-23	0%

4.2.9. Financial Management, Staffing and Costs

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
27	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.	Enterprise Improvement Plan	Enterprise Sustainability Stream	6.3 Expense Management Program	Jun-23	22%
28	icare to report publicly and in detail each year on its transformation expenditure and on the benefits being delivered from it.	Enterprise Improvement Plan	Enterprise Sustainability Stream	6.2 Benefits Realisation	Jun-22	40%

4.2.10.Culture – Oversight by SIRA

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
29	That the Boards of both icare and SIRA 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.	Enterprise Improvement Plan	Governance Stream	1.7 Board and Committee Actions Schedule Process	Dec-21	100%
30	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.	Enterprise Improvement Plan	Governance Stream	1.7 Board and Committee Actions Schedule Process	Dec-21	100%

4.2.11.Ministerial Oversight

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
31	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: • 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; • Require the Board to table correspondence sent to or received from the Treasurer in relation to the activities of icare; and • Require the Board to include a report of correspondence and other communications with the Treasurer in the minutes of its meetings.	Enterprise Improvement Plan	Governance Stream	1.7 Board and Committee Actions Schedule Process	Dec-21	100%
				1.6 Committee Structure, membership and Charter Review	Jun-22	50%

Independent Review of icare's Improvement Program
Final Establishment Report and First Quarterly Update
February 2022

64

4.2.12. Realisation of Benefits

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
32	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.	Enterprise Improvement Plan	Enterprise Sustainability Stream	6.2 Benefits Realisation	Jun-22	40%

4.2.13. Implementation

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
33	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.	Enterprise Improvement Plan	Work in progress			

4.2.14. Measurement of Financial Sustainability of the NI

#	Recommendation	Plans	Stream	Initiative	Final Embed Due Date	Key Milestones completed
42	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.	Enterprise Improvement Plan	Enterprise Sustainability Stream	6.1 Capital Management	Jun-22	80%