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

Third Quarterly Update

31 August 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 third quarterly update on the progress of the Improvement Program.

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

This update 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 update. No third-party beneficiary rights are granted or intended. Any use of this update by a third party is made at the third party's own risk.

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Contents

Abbreviations & Definitions

ARC	Audit and Risk Committee
BAU	Business As Usual
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CITC	Customer Innovation and Technology Committee
Closure Pack	A pack of documents provided to Promontory for assessment, that includes a description of the actions icare has undertaken as part of a Phase and evidence that demonstrates the effectiveness of those actions
CRM	Customer relationship management software and technology, that is used to manage how a company interacts and does business with their customers
CSPs	Claims Service Providers
DigiTech	The technology division within icare
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
Initiative	High-level remedial activities to be undertaken within the Streams
McDougall Recommendations	The 31 recommendations made in the McDougall Report that are relevant to icare

McDougall Report	The report delivered at the conclusion of the McDougall Review
McDougall Review	Statutory review of icare and the State Insurance and Care Governance Act 2015
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	Workers Compensation Nominal Insurer Scheme
Phase or Initiative Phase	High-level collection of activities within an Initiative. Each Initiative has Design, Implement and Embed phases.
Program	The Improvement Program
Plans	The EI Plan and the NII Plan
Portfolio Hub	Dashboard reporting platform that is used to monitor ongoing projects
Promontory or we	Promontory Australia, a business unit of IBM Consulting
RAID Register	Risks, Assumptions, Issues and Dependencies Register
RAS	Risk Appetite Statement
Recommendations	The McDougall Recommendations and GAC Recommendations
Reform PMO	The Reform Program Management Office
Reporting Date	31 July 2022
Reporting Period	The period from 1 May 2022 to 31 July 2022
Reports	The McDougall Report and GAC Report
Reviews	The McDougall Review and GAC Review
Second Quarterly Update or last update	Our second update dated 31 May 2022, which provides a summary of icare's progress in addressing the Recommendations of the Reviews
SIRA	State Insurance Regulatory Authority
Scheme Agents	Outsourced service providers
SICG Act	State Insurance and Care Governance Act 2015
Streams	Thematic areas of work that icare is completing to address the Recommendations
Sub-Programs	The EI Sub-Program and NII Sub-Program
Third Quarterly Update or Update	Our third update dated 31 August 2022 on icare's progress in addressing the Recommendations of the Reviews

Executive Summary

This is Promontory's Third Quarterly Update, which sets out our independent assurance over icare's Improvement Program. This update covers our observations on icare's progress on the Improvement Program during the period from 1 May 2022 to 31 July 2022.

Background

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

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

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

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

The Improvement Program consists of two main sub-programs:

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

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

Under each of the sub-programs, icare has developed a plan that outlines the remediation activities that will be taken to address the recommendations.

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

Progress on Implementation

The 107 recommendations made by the reviews are being addressed by 65 Initiatives across the Improvement Program.

icare continued to progress the execution of the Improvement Program. As at 31 July 2022:

- icare had commenced or completed work on the Design Phase for all Initiatives;

- icare had commenced or completed work on the Implement Phase for two-thirds of Initiatives; and

- For 45 percent of Initiatives, icare had commenced or completed work on activities within the Embed Phase.

Once a Phase is finalised, evidence of completion is provided to Promontory in the form of a Closure Pack so that Promontory can assess whether icare has achieved the intended objective. icare has made considerable progress in providing Closure Packs to Promontory for assessment since the last update, with a total of 26 Closure Packs submitted as at 31 July 2022. Of these, Promontory has assessed a total of two as complete and effective; the balance remained under assessment as at 31 July 2022.

The progress of the Improvement Program is summarised in Figure 1.

Figure 1: Phase Status Summary
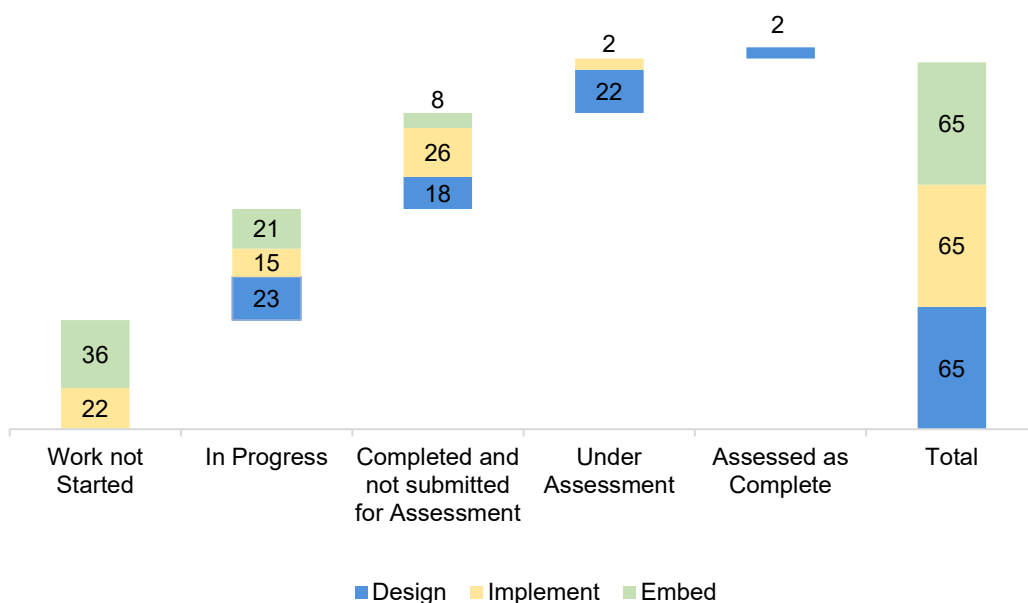
Program Development and Focus Areas

The Improvement Program represents a significant, long-term program of organisational change. It requires ongoing commitment and a focus on effective execution.

Appropriate oversight, including at the Board level, is important for the success of the Improvement Program. Since our last update we have observed that governance forums continue to provide a sound foundation for oversight of the Improvement Program and are effective forums for the discussion of program progress and risks.

icare has made progress in addressing the risks associated with the challenges noted in our Second Update, in particular the risks associated with resource constraints and the management of dependencies. Key roles have been filled and icare has increased the level of specialist resources assigned to dependency management.

These positive developments are important as remediation programs require a solid foundation, robust leadership, and commitment to address challenges as and when they arise. Nonetheless, it is inevitable that in large change programs there will be ongoing risks that require continued attention as well as emerging risks that need to be addressed. A focus on these risks is critical to ensure that they are adequately managed in a timely manner to mitigate potential impacts on the Improvement Program. We have highlighted five areas for focus in this update:

- Technology

- Resourcing

- Communications

- Dependencies

- Managing complexity and encouraging simplicity

Technology

To deliver some of the required organisational changes specified by the recommendations, icare is developing and deploying a number of technology solutions. Challenges in the delivery of these technology solutions have become an increasing area of risk for certain Streams within the Improvement Program and have resulted in delays to some activities.

icare is focussed on these challenges, with governance forums discussing the risks, impact and actions to be taken to address issues that have arisen in relation to technology reliant activities. This is a positive action to assist risk management and icare should continue to give careful consideration and high priority to addressing these issues.

Attention and effort should be concentrated on ensuring that the scope of requirements for technology is well understood between the business owners within the Streams and icare's internal technology department to prevent further delays to tech-dependent activities. In addition, icare should ensure that

technology timelines are finalised as a priority to ensure there is a clear and well-defined way forward to meet the technology requirements of the Improvement Program.

Resourcing

As noted above, icare has made progress in addressing resourcing challenges noted in our last update and continues to actively monitor and report on resourcing and capacity issues. Resourcing continues to receive significant attention at key governance forums, with improvements to the monitoring and reporting of resource challenges, and progress made in addressing identified gaps.

While these are positive developments, resourcing challenges remain across the Improvement Program. The current market environment remains difficult for recruitment for certain roles, such as project managers and business analysts. Staff attrition and staff movement also continue to contribute to resourcing constraints. It is critical for the success of the Improvement Program that resource gaps and capacity issues continue to be closely monitored and for resourcing challenges to be proactively addressed.

Communication

Strong organisation-wide communication is an important part of successful change programs. Such communication is vital to explain program objectives and support progress towards intended outcomes. In particular, effective communications play a key role in supporting the desired cultural and behavioural change aspects of the Improvement Program and mitigating the risk of change fatigue.

icare continues to focus on internal communications through engagement activities with staff using a multi-faceted approach. It is important that the impact and reach of these program communications continue to be tested so that communication activities can be refined and targeted over time.

'Tone from the top' is also critical in ensuring organisational change is accepted and subsequently sustained. In this regard, consistent and coordinated messaging across icare on the Improvement Program will be necessary to ensure changes are understood and supported by all stakeholders.

Dependencies

Broad programs of change require careful coordination to ensure successful execution. Our earlier updates noted the importance of effective dependency management in a program of this size and complexity. During the reporting period icare made good progress towards developing a coordinated approach to dependency management. Work to enhance scheduling and dependency management across Streams and sub-programs has progressed and icare now has a centralised view of dependencies across the Improvement Program through the Portfolio Hub.

We have observed an uplift in the ongoing discussions on risks and dependencies across the EI Sub-Program during governance forums over the reporting period. However, further work is required to ensure that dependency management across the entire Improvement Program is consistent and

effective. In particular, icare needs to ensure that there is an appropriate focus within key NII Sub-Program governance forums regarding the actions required to manage identified dependencies.

Managing complexity and encouraging simplicity

The Improvement Program is, by nature, a complex, long-term and ambitious program of work touching many aspects of icare's risk governance processes across all parts of the organisation. In this context, it is useful to consider opportunities to simplify the path icare is taking to achieve the intended outcomes of the Improvement Program and the related processes it is implementing. Promontory understands that not all aspects of the Program can be modified in this way, but where possible icare should promote simplicity as it will reduce execution risk and support the Improvement Program in achieving its desired outcomes of addressing the requirements of the recommendations of the reviews.

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. Further detail on this and other schemes managed by icare can be found in our Final Establishment Report.

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

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

- the *icare and State Insurance and Care Governance Act 2015 Independent Review* (**McDougall Review**), which involved a 'root and branch' examination of icare; and

- PwC's *Independent Review of icare governance, accountability, and culture* (**GAC Review**), which considered governance, accountability and culture across the whole of icare.

The McDougall Review culminated in a report (**McDougall Report**) which was published on 30 April 2021.[1] The McDougall Report identified a number of findings which were attributed, in part, to icare's determination to effect speedy change, which gave rise to procedural and cultural defects that resulted in a disregard for practices and procedures. The McDougall Report made 31 recommendations relevant to icare (**McDougall Recommendations**).

The GAC Review resulted in a report (**GAC Report**) which was published on 1 March 2021.[2] The GAC Report made a number of findings, which included a lack of discipline in delivering timely and quality outcomes to customers, and the need for significant improvement in icare's risk and

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[1] The McDougall Report is available here.

[2] The GAC Report is available here.

compliance framework. The GAC Report contains 76 recommendations relevant to icare (**GAC Recommendations**).

Further information on findings of both the McDougall Review and GAC Review (**Reviews**) can be found in our Final Establishment Report.

1.2. The Improvement Program

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

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

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

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

- driving an accountable culture.

The Program consists of two sub-programs:

- the Enterprise Improvement Sub-Program (**EI Sub-Program**), which aims to address the Recommendations of the Reviews that apply across the whole icare organisation; and

- the Nominal Insurer Improvement Sub-Program (**NII Sub-Program**), which aims to address the Recommendations of the Reviews that apply to the NI Scheme.[3]

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

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

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

- Streams, which are thematic areas of work 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.

The Key Milestones are classed as being in one of three Phases: Design, Implement or Embed. The Design Phase involves designing an approach to address the Initiative's Outcomes, the Implement Phase involves the initial roll-out or launch of that approach, and the Embed Phase involves achieving demonstrated operational effectiveness of the approach.

Further details on the Enterprise Improvement Plan (**EI Plan**) and the Nominal Insurer Improvement Plan (**NII Plan**) can be found in our Final Establishment Report.

1.3. Promontory's Role

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

- monitoring the status and progress of the Program;

- assessing both whether each Phase of an Initiative has been completed in line with the relevant Plans, and whether each Recommendation has been addressed by the relevant Initiatives; and

- providing quarterly updates which report on our findings.

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

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

This is our third update (**Third Quarterly Update** or **Update**) on icare's progress addressing the Recommendations of the Reviews. Similar to our last update (**Second Quarterly Update** or **last**

update), it highlights key challenges to the successful execution of the Program and summarises icare's progress in addressing the Recommendations of the Reviews.

For the purposes of this Update, we have considered developments that occurred from 1 May 2022 to 31 July 2022 (**Reporting Period**). The status of icare's progress against the Recommendations is reported as at 31 July 2022 (**Reporting Date**).

1.4. Report Structure

The remainder of this report is structured as follows:

- Chapter 2 sets out our observations on how the Program is progressing, aspects of program management, and the areas on which icare should focus moving forward;

- Chapter 3 summarises the progress icare has made in addressing each Recommendation; and

- Chapter 4 provides details about Promontory's assessment of completed Phases within Initiatives.

2. Focus Areas

During the Reporting Period, Program activity continued to progress with work on the design of all Initiatives either in progress or complete. In addition, icare has commenced or completed work on two-thirds of Initiatives within the Implementation Phase. Considerable progress has also been made in the provision of Closure Packs to Promontory for assessment, with icare establishing a good cadence for completion and delivery.

As in previous reporting periods, we continued to observe governance forums in which timely reporting on the status of the Program provides a sound foundation for Program oversight. This is a broad, long-term program of change, and effective governance is critical. Additionally, we note that icare has undertaken several actions to address challenges raised in our Second Update. For instance, icare has developed the Portfolio Hub to help address the management of dependencies and continues to closely monitor resourcing across the Program.

These positive developments are important as remediation programs require a solid foundation, robust leadership, and commitment to address challenges as and when they arise. Nonetheless, it is inevitable that in large change programs there will be ongoing or emerging risks that require icare's continued focus to ensure that they are adequately managed to mitigate potential risks to the Program's execution. Promontory have identified the following aspects of the Program which warrant icare's continued attention:

- Management of technological challenges that have arisen for tech-dependent activities;

- Resourcing to ensure adequate capacity and capability;

- Refining and promoting Program communication;

- Uplift to the dependency management processes; and

- Managing complexity and taking opportunities to simplify within the Program.

We provide more detail on these and other areas of focus below.

2.1. Technology

Challenges around technology are frequently encountered in major transformation programs like the Improvement Program. During the Reporting Period, challenges in the delivery of technology solutions have become an increasing area of risk for certain Streams within the Program. These challenges have led to some delays within the Streams impacted. icare is focused on managing the impacts of these technology challenges, particularly as they apply to the individual Sub-Programs. It is important that icare continues to take the actions necessary to ensure appropriate delivery of quality technology solutions.

For example, the Customer Relationship Management (**CRM**) Uplift Initiative has been facing challenges due to the lack of alignment between the business team and DigiTech, icare's internal technology department, in identifying and escalating the work required. These challenges led to schedule changes and as at the Reporting Date, scoping for this activity was still underway, causing delays to Initiatives within the Stream that are dependent on the CRM implementation. For Initiatives where technology is a key element, icare should ensure that the scope requirements is well understood to ensure effective delivery.

Resourcing challenges have also contributed to technology risks, including the availability of technical specialists. Further detail is provided in section 2.2.

To facilitate the deployment, delivery, and implementation of technological solutions within the Program, icare continues to develop the Program Technology Roadmap and an integrated schedule. The Program Technology Roadmap provides a timeline for the deployment of technological solutions for tech-dependent activities, while the integrated schedule outlines the planned release of these solutions into the business relative to other activities within the Program. During the Reporting Period, we observed that the Program Technology Roadmap and the integrated schedule have been key areas of discussion when technological risks were considered during governance forums. While work has progressed on these initiatives, icare has yet to finalise the development of the Program Technology Roadmap and integrated schedule for both the EI and NII Sub-Programs. The finalisation of these should provide icare with a clear and well-defined way forward to meet the technology requirements of the Program, and as such, icare should ensure they are completed as a priority.

Within both EI and NII governance forums, we have observed constructive discussions on the impact, risks, and actions to be taken to address issues that have arisen in relation to technology reliant activities. This is a positive aspect of technology risk management, and Promontory will continue to observe relevant governance forum discussions on the progress of the Program's technology requirements. Tech-dependant Streams should continue to closely monitor the availability of technology specialists to minimise further delays and ensure that issues are proactively identified and addressed.

2.2.   Resourcing

icare continues to focus on effectively managing resource challenges to support successful delivery of the Improvement Program. There has been good progress over the Reporting Period in filling key roles across the Program and for the Reform PMO, including recruitment of two Master Schedulers, technical writers, and the Business Owner for Risk Uplift within the EI Sub-Program. Resourcing also continues to receive significant attention at key governance forums, with improvements to the monitoring and reporting of resource challenges and progress in addressing identified gaps.

During the Reporting Period, Promontory participated in two 'deep dive' sessions on resourcing. These sessions provided us with an update on how resourcing challenges are being managed within each of the Sub-Programs. icare undertakes detailed scoping of resource needs and business owners are consulted to understand their resource requirements. There is consideration of whether gaps should be filled internally (with backfill as needed), externally (with links to recruitment processes) or through the use of temporary external resources. icare regularly monitors the status of the Program's resource requirements by engaging with key stakeholders. Resource plans and priorities for delivery are revised as needed to respond to changing needs.

Resource plans identify both 'project' resources that are dedicated to the Program and Business As Usual (**BAU**) resources that have business responsibilities in addition to Program responsibilities. These BAU resources will support sustainability of outcomes and the carriage of the Initiatives into BAU after Program completion.

While there has been significant progress in dealing with resourcing issues, challenges remain in both Sub-Programs. There are Streams in both Sub-Programs that are highlighting resourcing as an issue. These resourcing challenges arise in a competitive market for certain skills such as risk specialists, which has resulted in delays in the scheduling and delivery of some Initiative outcomes, for example the Further Refinement of the 3 Lines of Defence Initiative.

In addition, the current market environment remains difficult for recruitment of other certain roles, such as project managers, change, and analyst roles. Other contributing factors to resourcing challenges include staff attrition, staff secondments to other programs, time needed to get new recruits up-to-speed and the time needed to prepare Closure Packs for Promontory's assessments.

Resourcing issues have also contributed to difficulties in the delivery of tech-dependent activities. During various governance forums, we observed that there were challenges in the delivery of technological solutions due to resourcing constraints, particularly in securing data and business analysts. For example, we observed delays to the timeframes for the delivery of the Healthcare Dashboard due to the need to source technical testers. icare has undertaken actions to mitigate this issue and is continuing to plan for technology resources. This includes working to finalise the 'ways of working' between the business units and DigiTech to establish a robust understanding of resourcing requirements and engaging external consultants where needed to fill resource gaps.

In this environment, external resources continue to be used to address resource gaps and support Program delivery, including in the development and delivery of technology. This is an appropriate

response given the tight market conditions and resource challenges being experienced. However, in the interests of sustainability of Program outcomes, the use of external consultants and contractors must be undertaken in such a way that ensures effective knowledge transfer.

Additional actions being taken by icare to help manage resourcing challenges include:

- The contingency resource pool is being progressively built to address short-term resources gaps across the broader portfolio, including the EI and NII Sub-Programs. Further recruitment is underway to add additional resources to this pool, but it will take time to build the resource pool to full capacity.

- Recruitment processes are being refined to shorten timeframes, for example by expanding supplier lists.

- Refinements were made to the reporting of the resource profile and mobilisation for the NII Sub-Program in response to governance forum challenge that further improvements to reporting were required.

- The demands placed on BAU resources are monitored, with discussions in governance forums and reporting to the Group Executive Team on an overall portfolio perspective. As certain BAU resources are required to fulfil both Program and business responsibilities, backfilling of roles is used as needed to ease demand.

icare's focus on reviewing, analysing and addressing resource challenges is a key aspect of program management and needs to continue. In this context it is important to be mindful of the appropriate use of external resources, the ongoing need to deliver quality outcomes and potential impacts of increased workloads. We also encourage icare to continue to build and fully implement the contingency resource pool to support resource demands.

2.3. Communications

Strong organisation-wide communication is an important part of major change programs, to help to explain program objectives and support progress towards intended outcomes. Effective communication will also help drive the behavioural and cultural changes that will ensure sustainable change. In our Second Update we noted that icare was continuing to refine its Improvement Program Engagement and Communications Plan. This plan is aimed at supporting the three key areas the Program is intended to uplift:

- risk and governance;

- performance for icare's customers; and

- people and accountability.

During the Reporting Period the Enterprise Improvement Program Change and Communications Team transitioned to People and Culture, reporting to the General Manager, People Communications

and Engagement. This restructure is intended to enable the team to better align to the people transformation strategy and to work towards delivering the desired cultural change across the organisation.

icare continues its focus on internal communications through engagement activities with people leaders and change champions (described by icare as 'Better Outcome Ambassadors') through a multi-faceted approach, including newsletters and Ambassador network sessions. Internal communications will continue to play an important role in supporting the cultural and behavioural change aspects of the Program and mitigating the risk of change fatigue.

Tone from the top is important in ensuring organisational change is accepted and subsequently sustained, particularly in programs with significant organisational transformation. We observed during our attendance at various governance forums that Streams within the EI Sub-Program have demonstrated an uplift in communication and an increase in involvement from the responsible executives. It is important that icare's executives deliver consistent and coordinated messaging across the entire Program to ensure changes are understood and supported by all stakeholders, provide progress updates, and demonstrate their ongoing commitment to the Program.

icare will need to continue to refine and promote its Program communication. There is further work required to finalise and establish an effective and clear communication plan across the Program. Promontory will continue to monitor icare's progress in developing its engagement and communications strategy.

2.4.   Dependencies

In our earlier updates, we highlighted the importance of effectively managing dependencies. It is important for the coordinated and timely implementation of program outcomes that dependencies are managed:

(i)   within each of the EI and NII Sub-Programs;

(ii)   which fall across other Streams in the Program; and

(iii)   which arise from business activities outside of the Program.

During the Reporting Period, icare has demonstrated additional focus on dependency management and has taken action to address some of the key call-outs from our last update.

We observed that the level of specialist resources assigned to dependency management has increased with the appointment of Master Schedulers to the Sub-Programs. Work on the development of the integrated schedules has also progressed and icare expects that these will be a useful tool in ensuring a consistent approach to dependency management across and within the Program. We note that further planning in Customer Uplift and Digitech remains to be completed and that this could impact on the delivery of the integrated schedules. Promontory will continue to monitor progress on icare's development on dependency management in future reporting periods.

Promontory has also observed ongoing discussions on risks and dependencies across the Program during EI governance forums. This is supported by improvement in dependency monitoring and reporting provided to these forums, including the identification of 'hard' dependencies across milestones, which will need to be addressed in order to achieve closure.

Although these are positive developments, further work is required on dependency management. For example, icare should ensure that there is sufficient consideration of dependencies within NII governance forums to assist dependency management in the NII Sub-Program. The development of the Portfolio Hub, a dashboard reporting platform that is used to monitor ongoing projects, is intended to centralise the view of dependencies across the Program and address some of the discrepancies between the EI and NII Sub-Programs. icare intends for this to be accomplished through the monthly consolidation of information drawn from the Risks, Assumptions, Issues and Dependencies (**RAID**) registers, an automated reporting functionality and the introduction of dashboards that provide visibility on Program risks, issues and dependencies. We will continue to monitor developments in this area and the effectiveness of the Portfolio Hub in addressing a consistent approach towards dependency management between the Sub-Programs.

During this Reporting Period we began attending, as observers, the NI Improvement Program Design, Change and Interlock Committee meetings. This committee has been set up as the first point of assurance across the NII Sub-Program and is responsible for the review of the design of solutions to ensure they are fit for purpose and consistent across the Streams, as well as the identification and management of dependencies across the NII Sub-Program. While we have observed that dependencies have been identified during these sessions, there is scope for further discussion of how these dependencies will be managed to anticipate and prevent delays from occurring.

The RAID registers are an important source of information regarding dependencies across the Program. These registers have continued to be refined during the Reporting Period and remain an area of focus for icare, and this will be particularly important for the NII Sub-Program RAID registers.

Overall, we consider that icare has made progress in the coordination of its approach to dependency management. However, further uplift is necessary to support effective coordination across the Program. The imbalance in dependency management between the EI and NII Sub-Programs requires focus in the next period, particularly as there are dependencies that reach between the two Sub-Programs and require a consistent approach.

2.5.   Managing Complexity and Encouraging Simplicity

The Improvement Program is, by nature, a complex and long-term program of work touching many aspects of icare's risk governance processes across all parts of the organisation. The design of the Program also presents further complexity; for instance, some Recommendations are being addressed through multiple Initiatives across several Streams. As discussed above, dependencies between Streams, and across the NII and EI Sub-Programs, also add additional complexity that must be managed.

In this context, it is useful to consider opportunities to simplify the path icare is taking to achieve the intended outcomes of the Program and the processes it is implementing as a result. Looking for opportunities to simplify key aspects of such programs, ranging from communications through to risk frameworks and reporting requirements, has generally been a key component in comparable remediation efforts that successfully achieved their aim of delivering consistent and sustainable uplift in risk governance practices. Simplicity supports consistency and reduces execution risk, as complex and over-engineered processes are more likely to lend themselves to inconsistent implementation across the organisation. Simplicity also supports sustainability, as simple, well-understood and repeatable processes are more likely to provide the solid foundation needed for sustainable outcomes.

During the Reporting Period, we were pleased to observe an appropriate level of focus on identifying areas of complexity within the Program, particularly during governance forums. icare will benefit from continuing to translate these observations into practical opportunities to reduce complexity.

While we have observed discussions where complexity has been identified as a challenge, further attention and focus on how this challenge can best be addressed would potentially assist icare in its program delivery. Within NII governance forums we observed that in assessing the relative total impact of business changes attributed to activities within the Program, icare considered the complexity of the change. icare could consider reviewing areas of the Program that are more challenging and complex in order to determine whether adjustments can be made to create a simpler path forward. This will not only reduce the relative change intensity but should also provide the solid foundation needed to ensure changes are sustainable.

Promontory understands that not all elements of a wide-ranging and ambitious program of change can be simplified in this manner. However, promoting simplicity and reducing duplication where possible can also play an important role in addressing the Recommendations. icare should place a high premium on clarity in what is being done to address the Recommendations as complex processes will be more difficult and time-consuming to implement and will take longer to embed.

Senior leaders and the Reform PMO, in particular, have important roles to play in continuing to emphasise the importance of simplifying solutions icare is developing. Simplicity, while not guaranteeing success, should support the Program in achieving its intended outcomes.

2.6.   Other Focus Areas

Outcome Measures

icare's Improvement Program is a wide-ranging program of work that aims to embed significant cultural, governance and risk management reforms. As icare progresses the Program, sustainable improvements in risk management, governance and culture should start to become apparent and tracking mechanisms would be helpful to ensure icare is on course to achieve the desired end state.

We acknowledge that icare has developed Key Outcomes and Key Success Measures for each Program Stream within the EI and NII Sub-Programs to measure performance against the Target

State for each Stream. In addition, icare could consider developing a separate set of measures that will allow management to assess the progress being made overall by the Program, towards achieving sustainable improvements across the Program's three key levers of change; risk and governance, performance for icare's customers, and people and accountability. These measures will also help to identify any areas of concern that require additional focus or concentrated effort.

Outcome Measures may be a collection of existing BAU measures that are tracked, governed, and actioned on a BAU basis through established processes and forums. These measures will assist icare to observe the overall Program progress in demonstrating the sustainable improvements icare is seeking to deliver. Importantly, these outcome measures will provide icare with confidence that momentum will continue post completion of the Program, and that icare will sustain appropriate focus on robust risk management, governance, and culture into the future.

Promontory notes that as Initiatives advance, time and effort are required to collate, clean, and assess the necessary data for any chosen outcome measures. Consequently, it is important that icare begins to identify these measures as soon as possible to allow for the supporting data collation processes to commence and, if necessary, the refinement of these measures.

3. Recommendation Progress

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

- All Initiatives had commenced or completed work on the Design Phase;

- Two-thirds of Initiatives had commenced or completed work on the Implement Phase; and

- 45 percent of Initiatives had commenced or completed work on the Embed Phase.

As at the Reporting Date the Improvement Program consisted of 65 Initiatives that were within Promontory's scope of coverage. This is an increase from the 58 Initiatives reported in our last update. The changes were made following the completion of an exercise to better align Key Milestones within Initiatives to Recommendations. In this exercise, new Initiatives were created for Key Milestones identified as addressing a Recommendation in its entirety. This resulted in the creation of six new Initiatives and the reallocation of the relevant Recommendations.

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

Table 3.1: Initiative Phase Status

Phase	Work Not Started	Work in Progress	Work Completed but Not Yet Provided for Assessment	Under Assessment	Assessed as Complete	Total
Design	0	23	18	22	2	65
Implement	22	15	26	2	0	65
Embed	36	21	8	0	0	65
Total	58	59	52	24	2	195

icare has also made considerable progress in providing Closure Packs to Promontory for assessment. As at the Reporting Date 26 Closure Packs have been received for assessment. Of these, we have assessed a total of two Design Phases as complete and effective. Further details on our assessments are discussed in Chapter 4.

The remainder of this Chapter summarises, in tabular form, the status of the Initiatives that address the Recommendations, commencing with the Initiatives aimed at the GAC Recommendations followed by the Initiatives aimed at the McDougall Recommendations. icare's progress during the Reporting Period in completing each Initiative Phase is summarised using the Reporting Scale set out in Table 3.2.

Table 3.2: Reporting Scale

Indicator	Description of Progress
◯	Work to deliver Initiative Phase has not commenced.
◔	Work to deliver Initiative Phase has commenced but has not yet been completed.
◐	Work to deliver Initiative Phase has been completed but the Closure Pack has not yet been delivered.
◕	Closure Pack has been delivered to Promontory. Promontory's assessment of the Initiative Phase has commenced but has not yet been completed.
●	Initiative Phase has been assessed by Promontory as closed.

Promontory notes that where work to deliver an Initiative Phase has commenced but not been completed, or work to deliver an Initiative Phase has been completed but the Closure Pack has not been delivered in the Reporting Period, Promontory has reported the status of these Initiatives as summarised in status reports provided by icare. The extent to which these Initiatives have progressed has not been independently verified.

3.1. GAC Recommendations

3.1.1. Role of the Board

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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	Design	May-22	◑
					Implement	Dec-22	◔
					Embed	Nov-23	◔
				1.6 Committee Structure, membership and Charter Review	Design	Jul-22	◑
					Implement	Aug-22	◔
					Embed	Feb-23	○
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 Program	Governance Stream	1.5 Board Composition	Design	May-22	◑
					Implement	Dec-22	◔
					Embed	Nov-23	◔

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[4] The second half of each Harvey Ball represents Promontory's final review through the Closure Pack assessment process.

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◑
					Implement	Jul-22	◔
					Embed	Feb-23	○
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 Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◑
					Implement	Jul-22	◔
					Embed	Feb-23	○
			Risk Uplift Stream	2.10 Develop methodology to measure Risk Culture for ARC	Design	Sep-21	◑
					Implement	Nov-21	◑
					Embed	Aug-22	◔
5	CITC to increase the time it spends on the voice of the customer and customer outcomes.	Enterprise Improvement Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◑
					Implement	Jul-22	◔
					Embed	Feb-23	○
		Enterprise Improvement Program	Customer Uplift Stream	4.5 Customer Governance @icare	Design	Dec-22	◔
					Implement	Jun-23	○
					Embed	Jan-24	○
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 Program	Governance Stream	1.8 Uplift quality of Board and Committee papers and reporting	Design	Oct-21	◑
					Implement	Jun-22	◑
					Embed	Dec-22	◔
			Customer Uplift Stream	4.5 Customer Governance @icare	Design	Dec-22	◔
					Implement	Jun-23	○
					Embed	Jan-24	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.7 Board and Committee Actions Schedule Process	Design	Feb-22	◕
					Implement	Mar-22	◑
					Embed	Dec-22	◔
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 Program	Governance Stream	1.7 Board and Committee Actions Schedule Process	Design	Feb-22	◕
					Implement	Mar-22	◑
					Embed	Dec-22	◔
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 Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◕
					Implement	Jul-22	◔
					Embed	Feb-23	○
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 Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◕
					Implement	Dec-21	◑
					Embed	Dec-22	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status 4
11	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 Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◑
					Implement	Dec-21	◐
					Embed	Dec-22	◕

3.1.2. Senior Leadership Oversight

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status 4
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 Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◑
					Implement	Dec-21	◐
					Embed	Dec-22	◕
			Culture and Accountability	5.2 Leadership	Design	Sep-21	◑
					Implement	Aug-22	◕
					Embed	Jul-23	○
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 Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◑
					Implement	Dec-21	◐
					Embed	Dec-22	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◑
					Implement	Dec-21	◐
					Embed	Dec-22	◔
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 Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◑
					Implement	Dec-21	◐
					Embed	Dec-22	◔
			Customer Uplift Stream	4.1 Evolving customer experience measurement framework to align to drivers of customer outcomes	Design	Jun-22	◔
					Implement	Jan-23	◔
					Embed	Apr-23	○
				4.2 Transitioning icare's headline customer experience measure	Design	Mar-22	◑
					Implement	Jun-22	◐
					Embed	Jan-23	◔
				4.5 Customer Governance @icare	Design	Dec-22	◔
					Implement	Jun-23	○
					Embed	Jan-24	○

3.1.3. Risk Management and Compliance

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◑
					Embed	Dec-22	◔
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 Program	Risk Uplift Stream	2.3 Development of Enterprise and Business Unit Risk Profiles	Design	Dec-21	◕
					Implement	Mar-22	◑
					Embed	Dec-22	◔
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◑
					Embed	Dec-22	◔
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.	Nominal Insurer Improvement Program	Return to Work Performance Stream	N1.1 Healthcare Dashboards and Reporting	Design	Sep-22	◔
					Implement	Jul-23	○
					Embed	Jul-24	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
20	Develop comprehensive compliance registers and implement procedures, controls and other mechanisms to ensure compliance and effective risk mitigation.	Enterprise Improvement Program	Risk Uplift Stream	2.5 Development of icare Enterprise Obligations Register	Design	Dec-21	◑
					Implement	MarDec-22	◑
					Embed	Dec-22	◔
21	Strengthen the non-financial risk framework and operationalise this through the development and implementation of policies, procedures, leveraging external better practice.	Enterprise Improvement Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	●
					Implement	Aug-21	◑
					Embed	Dec-22	◔
22	Further strengthen policies and procedures in relation to conflicts and personal interest and ensure this has communicated and effectively implemented.	Enterprise Improvement Program	Risk Uplift Stream	2.19 Conflicts of Interest	Design	Dec-21	◑
					Implement	Jun-21	◑
					Embed	Mar-22	◑

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◐
					Embed	Dec-22	◕
				2.2 Uplift of Risk System	Design	Sep-22	◕
					Implement	Jun-22	◑
					Embed	Mar-23	◔
				2.12 Develop a Conduct Risk framework	Design	Jun-22	◐
					Implement	Nov-22	◕
					Embed	Sep-23	○
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 Program	Risk Uplift Stream	2.4 Risk Management attestation uplift	Design	Nov-21	◕
					Implement	Sep-22	◔
					Embed	Nov-22	○
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◐
					Embed	Dec-22	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
26	Establish and implement Line 1 risk committees to oversee risk and compliance in each business unit.	Enterprise Improvement Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◔
				2.6 Further refinement of the 3 Lines of Defence	Design	Nov-20	◑
					Implement	Mar-22	◔
					Embed	Apr-22	○
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 Program	Risk Uplift Stream	2.6 Further refinement of the 3 Lines of Defence	Design	Nov-20	◑
					Implement	Mar-22	◔
					Embed	Apr-22	○
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 Program	Risk Uplift Stream	2.6 Further refinement of the 3 Lines of Defence	Design	Nov-20	◑
					Implement	Mar-22	◔
					Embed	Apr-22	○
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 Program	Risk Uplift Stream	2.20 CRO Membership of GET	Design	Apr-21	◑
					Implement	Jul-21	◑
					Embed	Apr-22	◑

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
30	The CRO to be made accountable for management of the regulator relationship.	Enterprise Improvement Program	Risk Uplift Stream	2.15 CRO Accountability for Regulator Relationship	Design	Dec-20	◑
					Implement	Aug-21	◑
					Embed	Dec-21	◑
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 Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◕
					Implement	Jul-22	◔
					Embed	Feb-23	○
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.	Enterprise Improvement Program	Risk Uplift Stream	2.16 Internal Audit Records and Reporting	Design	May-22	◑
					Implement	Sep-22	○
					Embed	Dec-22	○

3.1.4. Issue Identification, Escalation and Resolution

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◖
					Implement	Aug-21	◐
					Embed	Dec-22	◕
				2.9 Issue and Incident Management	Design	Apr-21	◐
					Implement	Oct-21	◐
					Embed	Dec-22	◕
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 Program	Risk Uplift Stream	2.21 Incidents Risk Rating	Design	Jun-21	◐
					Implement	Nov-21	◐
					Embed	Mar-22	◐

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
35	Improve record keeping over incidents and ensure appropriate monitoring and oversight over closure.	Enterprise Improvement Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◔
				2.9 Issue and Incident Management	Design	Apr-21	◑
					Implement	Oct-21	◑
					Embed	Dec-22	◔
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◔
				2.9 Issue and Incident Management	Design	Apr-21	◑
					Implement	Oct-21	◑
					Embed	Dec-22	◔
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◔
				2.9 Issue and Incident Management	Design	Apr-21	◑
					Implement	Oct-21	◑
					Embed	Dec-22	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.8 Develop a Remediation Framework	Design	Mar-22	◕
					Implement	Mar-22	◑
					Embed	Jun-22	◔
39	Improve Line 1 and Line 2 reporting on incident identification, management and closure and feed into consequence management as appropriate.	Enterprise Improvement Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◑
					Embed	Dec-22	◔
				2.2 Uplift of Risk System	Design	Sep-22	◕
					Implement	Jun-22	◑
					Embed	Mar-23	◔
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.	Enterprise Improvement Program	Risk Uplift Stream	2.17 Significant Matter Committee	Design	Apr-21	◑
					Implement	Apr-21	◑
					Embed	Dec-21	◑
41	Uplift employee awareness of icare's obligation to report significant matters to regulator SIRA within five days.	Enterprise Improvement Program	Risk Uplift Stream	2.9 Issue and Incident Management	Design	Apr-21	◑
					Implement	Oct-21	◑
					Embed	Dec-22	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Customer Uplift Stream	4.3 Design and implement an icare customer complaints framework and policy to uplift complaints management	Design	Feb-22	◕
					Implement	Dec-22	○
					Embed	Dec-22	○
				4.4 Uplift of Salesforce CRM for complaints handling	Design	Dec-21	◔
					Implement	May-22	○
					Embed	Dec-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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◑
					Embed	Dec-22	◔
				2.14 Establish a Speak Up Hotline	Design	Jan-21	●
					Implement	Oct-21	◕
					Embed	Dec-21	◑
			Culture and Accountability Stream	5.8 Refreshed HR Policy framework and content to reinforce culture and ensure role clarity for leaders as appropriate	Design	Jun-22	◔
					Implement	Jun-23	◔
					Embed	Dec-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.14 Establish a Speak Up Hotline	Design	Jan-21	●
					Implement	Oct-21	◕
					Embed	Dec-21	◑
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 Program	Risk Uplift Stream	2.14 Establish a Speak Up Hotline	Design	Jan-21	●
					Implement	Oct-21	◕
					Embed	Dec-21	◑

3.1.5. Scheme Agents

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◑
					Embed	Dec-22	◔
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 Program	Risk Uplift Stream	2.22 Outsourcing Committee	Design	Dec-20	◑
					Implement	May-21	◑
					Embed	Dec-21	◑

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
48	Review existing key material outsourcing contracts against the revised Outsourcing policy requirements and update accordingly.	Enterprise Improvement Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◐
					Embed	Dec-22	◔
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 Program	CSP Procurement and Provider Performance Stream	N3.1 NI Claims Management Procurement	Design	Apr-22	◐
					Implement	Sep-22	◔
					Embed	Nov-22	○
				N3.2 NI Claims Provider Performance Management	Design	Jul-22	◔
					Implement	Apr-23	○
					Embed	Dec-23	○
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 Program	CSP Procurement and Provider Performance Stream	N3.1 NI Claims Management Procurement	Design	Apr-22	◐
					Implement	Sep-22	◔
					Embed	Nov-22	○
				N3.2 NI Claims Provider Performance Management	Design	Jul-22	◔
					Implement	Apr-23	○
					Embed	Dec-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Claims Model Stream	N2.2 Claims Model (Day 2)	Design	Dec-22	◔
					Implement	Jan-23	○
					Embed	Jun-23	○
			CSP Procurement and Provider Performance Stream	N3.1 NI Claims Management Procurement	Design	Apr-22	◐
					Implement	Sep-22	◔
					Embed	Nov-22	○
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.	Enterprise Improvement Program	Risk Uplift Stream	2.6 Further refinement of the 3 Lines of Defence	Design	Nov-20	◐
					Implement	Mar-22	◔
					Embed	Apr-22	○
		Nominal Insurer Improvement Program	Claims Model Stream	N2.2 Claims Model (Day 2)	Design	Dec-22	◔
					Implement	Jan-23	○
					Embed	Jun-23	○
			CSP Procurement and Provider Performance Stream	N3.1 NI Claims Management Procurement	Design	Apr-22	◐
					Implement	Sep-22	◔
					Embed	Nov-22	○
53	GET meetings to receive regular individual scheme and segment scorecards to ensure visibility and accountability of scheme performance.	Enterprise Improvement Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◕
					Implement	Dec-21	◐
					Embed	Dec-22	◔

3.1.6. Prioritisation and Decision Making

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.23 Instrument of Delegations	Design	Jul-21	◑
					Implement	Nov-21	◑
					Embed	Aug-22	◔
55	Document icare's approach to strategic planning and prioritisation of projects.	Enterprise Improvement Program	Governance Stream	1.2 Decision making and prioritisation	Design	Aug-21	◕
					Implement	Jun-22	◑
					Embed	Sep-22	◔
			Governance Stream	1.4 Delivery and prioritisation	Design	Mar-22	◕
					Implement	Jun-22	◑
					Embed	Sep-23	◔
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 Program	Governance Stream	1.4 Delivery and prioritisation	Design	Mar-22	◕
					Implement	Jun-22	◑
					Embed	Sep-23	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.7 Establish Risk in Change Framework	Design	Sep-22	◕
					Implement	Nov-22	○
					Embed	Jun-23	○
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 Program	Risk Uplift Stream	2.24 Line 2 Risk Capability	Design	Aug-21	○
					Implement	Dec-21	◑
					Embed	Oct-22	◕
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 Program	Governance Stream	1.4 Delivery and prioritisation	Design	Mar-22	◕
					Implement	Jun-22	◑
					Embed	Sep-23	◕
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 Program	Governance Stream	1.4 Delivery and prioritisation	Design	Mar-22	◕
					Implement	Jun-22	◑
					Embed	Sep-23	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.4 Delivery and prioritisation	Design	Mar-22	◐
					Implement	Jun-22	◑
					Embed	Sep-23	◔

3.1.7. Accountability

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◐
					Implement	Jul-22	◔
					Embed	Feb-23	○
			Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Design	Dec-22	◔
					Implement	Jul -23	○
					Embed	Dec-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◔
					Implement	Dec-23	○
					Embed	Dec-23	○
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔
					Implement	Feb-23	○
					Embed	Dec-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◑
					Implement	Jul-22	◔
					Embed	Feb-23	○
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 Program	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Design	Dec-22	◔
					Implement	Jul -23	○
					Embed	Dec-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◔
					Implement	Dec-23	○
					Embed	Dec-23	○
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔
					Implement	Feb-23	○
					Embed	Dec-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status 4
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 Program	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Design	Dec-22	◕
					Implement	Jul -23	○
					Embed	Dec-23	○
66	Define and document a Consequence Management policy and/or approach that considers other levers besides financial consequences.	Enterprise Improvement Program	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Design	Dec-22	◕
					Implement	Jul-23	○
					Embed	Dec-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◕
					Implement	Dec-23	○
					Embed	Dec-23	○
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 Program	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Design	Dec-22	◕
					Implement	Jul -23	○
					Embed	Dec-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◕
					Implement	Dec-23	○
					Embed	Dec-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Culture and Accountability Stream	5.3 Refreshed Performance Management Framework	Design	Dec-22	◕
					Implement	Dec-23	○
					Embed	Dec-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◔
					Implement	Dec-23	○
					Embed	Dec-23	○
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 Program	Governance Stream	1.3 Stakeholder Accountability Framework	Design	Apr-22	◕
					Implement	Jun-22	◐
					Embed	Dec-22	◕

3.1.8. Culture

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
70	icare should translate its strategic priorities into cultural aspirations and make them tangible for individuals across the organisation.	Enterprise Improvement Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Jun-23	◔
				5.2 Leadership development for senior leaders	Design	Sep-21	◕
					Implement	Aug-22	◔
					Embed	Jul-23	○
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔
					Implement	Feb-23	○
					Embed	Dec-23	○
				5.6 Alignment of People Experiences	Design	Dec-22	◔
					Implement	Jun-23	○
					Embed	Jul-23	○
				5.7 Alignment of People Experiences	Design	Sep-22	◔
					Implement	Jun-23	○
					Embed	Jun-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◕
					Implement	Dec-21	◐
					Embed	Jun-23	◔
				5.2 Leadership development for senior leaders	Design	Sep-21	◕
					Implement	Aug-22	◔
					Embed	Jul-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◔
					Implement	Dec-23	○
					Embed	Dec-23	○
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔
					Implement	Feb-23	○
					Embed	Dec-23	○
				5.6 Alignment of People Experiences	Design	Dec-22	◔
					Implement	Jun-23	○
					Embed	Jul-23	○
				5.7 Alignment of People Experiences	Design	Sep-22	◔
					Implement	Jun-23	○
					Embed	Jun-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Culture and Accountability Stream	5.8 Refreshed HR Policy framework and content to reinforce culture and ensure role clarity for leaders as appropriate	Design	Jun-22	◕
					Implement	Jun-23	◔
					Embed	Dec-23	○
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Sep-23	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.4 Delivery and prioritisation	Design	Mar-22	◑
					Implement	Jun-22	◐
					Embed	Sep-23	◔
			Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◕
					Implement	Dec-21	◐
					Embed	Jun-23	◔
				5.2 Leadership development for senior leaders	Design	Sep-21	◑
					Implement	Aug-22	◔
					Embed	Jul-23	○
				5.7 Alignment of People Experiences	Design	Sep-22	◔
					Implement	Jun-23	○
					Embed	Jun-23	○
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	◑
					Implement	Dec-21	◐
					Embed	Sep-23	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Jun-23	◔
				5.2 Leadership development for senior leaders	Design	Sep-21	◕
					Implement	Aug-22	◔
					Embed	Jul-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◔
					Implement	Dec-23	○
					Embed	Dec-23	○
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔
					Implement	Feb-23	○
					Embed	Dec-23	○
				5.7 Alignment of People Experiences	Design	Sep-22	◔
					Implement	Jun-23	○
					Embed	Jun-23	○
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Sep-23	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◑
					Implement	Dec-21	◐
					Embed	Jun-23	◕
				5.2 Leadership development for senior leaders	Design	Sep-21	⬤
					Implement	Aug-22	◔
					Embed	Jul-23	◯
				5.3 Refreshed Performance Management Framework	Design	Dec-22	◔
					Implement	Dec-23	◯
					Embed	Dec-23	◯
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔
					Implement	Feb-23	◯
					Embed	Dec-23	◯
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	◕
					Implement	Dec-21	◐
					Embed	Sep-23	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
75	Identify and embed the critical few behaviours it needs to drive effective governance and accountability practices. These may include behaviours associated with constructive challenge, speaking up and safety in doing so, listening to other areas of expertise, learning and responding, but also to further embed collaborative partnering.	Enterprise Improvement Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Jun-23	◔
				5.2 Leadership development for senior leaders	Design	Sep-21	◕
					Implement	Aug-22	◔
					Embed	Jul-23	○
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔
					Implement	Feb-23	○
					Embed	Dec-23	○
				5.6 Alignment of People Experiences	Design	Dec-22	◔
					Implement	Jun-23	○
					Embed	Jul-23	○
				5.7 Culture measurement with annual targets set and monitored	Design	Sep-22	◔
					Implement	Jun-23	○
					Embed	Jun-23	○
				5.8 Refreshed HR Policy framework and content to reinforce culture and ensure role clarity for leaders as appropriate	Design	Jun-22	◔
					Implement	Jun-23	◔
					Embed	Dec-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Sep-23	◔
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 Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Jun-23	◔
				5.2 Leadership development for senior leaders	Design	Sep-21	◕
					Implement	Aug-22	◔
					Embed	Jul-23	○
				5.3 Refreshed Performance Management Framework	Design	Dec-22	◔
					Implement	Dec-23	○
					Embed	Dec-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◔
					Implement	Dec-23	○
					Embed	Dec-23	○
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	◕
					Implement	Dec-21	◑
					Embed	Sep-23	◔

3.2. McDougall Recommendations

3.2.1. Claims Management

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Professional Standards and Capability Stream	N5.1 Develop the icare Professional Standards Framework	Design	Oct-21	◑
					Implement	Nov-21	◑
					Embed	Nov-21	◕
				N5.2 Deliver the capability strategy and defined career pathways to embed professional standards	Design	Dec-22	◕
					Implement	Feb-23	○
					Embed	Aug-23	○
				N5.3 Implement and Embed the Professional Standards including accreditation and learning pathways	Design	Aug-22	◕
					Implement	Feb-23	○
					Embed	Apr-23	○
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.	Nominal Insurer Improvement Program	N/A	N6.1 Internal Audit Report on EML	Design	Jan-21	◑
					Implement	Jan-23	◕
					Embed	Jan-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	CSP Procurement and Provider Performance Stream	N3.1 NI Claims Management Procurement	Design	Apr-22	◑
					Implement	Sep-22	◕
					Embed	Nov-22	○
			Claims Service Provider Transition Stream [5]	N4.1 New CSP Onboarding	Design	Sep-22	◕
					Implement	Nov-22	○
					Embed	Feb-23	○
				N4.2 CSP Disengagement	Design	Jun 22	◕
					Implement	TBA	○
					Embed	TBA	○
				N4.3 Guidewire Claims Transfer	Design	Oct-22	◕
					Implement	Dec-23	○
					Embed	TBA	○
				N4.4 Policy Transfers	Design	TBA	◕
					Implement	TBA	○
					Embed	TBA	○
			Professional Standards and Capability Stream	N5.2 Deliver the capability strategy and defined career pathways to embed professional standards	Design	Dec-22	◕
					Implement	Feb-23	○
					Embed	Aug-23	○

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[5] Some Initiatives Phase due dates under this Stream are not yet finalised due to a dependency on the Request for Proposal process.

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Professional Standards and Capability Stream	N3.1 NI Claims Management Procurement	Design	Apr-22	◑
					Implement	Sep-22	◕
					Embed	Nov-22	○
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 Program	Professional Standards and Capability Stream	N1.1 Healthcare Dashboards and Reporting	Design	Sep-22	◕
					Implement	Jul-23	○
					Embed	Jul-24	○
				N5.3 Implement and Embed the Professional Standards including accreditation and learning pathways	Design	Aug-22	◕
					Implement	Feb-23	○
					Embed	Apr-23	○
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 Program	Risk Uplift Stream	2.11 Implement the Customer Advocate Role	Design	Feb-22	◕
					Implement	Jul-22	◕
					Embed	Jan-23	○

3.2.2. Probity and Procurement

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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.	Enterprise Improvement Program	Procurement Uplift Stream	3.6 CPO Appointment	Design	Jul-21	◑
					Implement	Jun-22	◑
					Embed	Dec-22	◑
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 Program	Procurement Uplift Stream	3.1 User focused systems and processes	Design	Jun-21	◕
					Implement	Nov-22	◔
					Embed	Dec-22	○
				3.3 Transparency and Policy	Design	Nov-21	◕
					Implement	Jun-22	◔
					Embed	Dec-22	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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.\n\nProbity and Procurement education should follow the guidance provided by RSM.	Enterprise Improvement Program	Procurement Uplift Stream	3.4 Capability	Design	Jun-21	◕
					Implement	Jun-22	◔
					Embed	Dec-23	○
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 Program	Procurement Uplift Stream	3.4 Capability	Design	Jun-21	◕
					Implement	Jun-22	◔
					Embed	Dec-23	○
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 Program	Risk Uplift Steam	2.18 Probity and Procurement Review	Design	Jul-22	◔
					Implement	Feb-23	○
					Embed	Mar-23	○

3.2.3. Culture – Protection of Whistle-blowers and Response to Incidents

#	Recommendation	Plan	Steam	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◕
				2.14 Establish a Speak Up Hotline	Design	Jan-21	●
					Implement	Oct-21	◕
					Embed	Dec-21	◑
			Culture and Accountability Stream	5.8 Refreshed HR Policy framework and content to reinforce culture and ensure role clarity for leaders as appropriate	Design	Jun-22	◔
					Implement	Jun-23	◔
					Embed	Dec-23	○
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◕
					Implement	Aug-21	◑
					Embed	Dec-22	◔
			Culture and Accountability Stream	5.8 Refreshed HR Policy framework and content to reinforce culture and ensure role clarity for leaders as appropriate	Design	Jun-22	◔
					Implement	Jun-23	◔
					Embed	Dec-23	○

#	Recommendation	Plan	Steam	Initiative	Phase	Due Date of Final Key Milestone	Status 4
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 Program	Risk Uplift Stream	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◔
			Culture and Accountability Stream	5.8 Refreshed HR Policy framework and content to reinforce culture and ensure role clarity for leaders as appropriate	Design	Jun-22	◔
					Implement	Jun-23	◔
					Embed	Dec-23	○

3.2.4. Culture – Culture Change and Assessment of Change

#	Recommendation	Plan	Steam	Initiative	Phase	Due Date of Final Key Milestone	Status 4
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 Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	●
					Implement	Dec-21	◑
					Embed	Jun-23	◔
				5.2 Leadership development for senior leaders	Design	Sep-21	●
					Implement	Aug-22	◔
					Embed	Jul-23	○
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	●
					Implement	Dec-21	◑
					Embed	Sep-23	◔

#	Recommendation	Plan	Steam	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◑
					Implement	Dec-21	◑
					Embed	Jun-23	◕
				5.9 Culture measurement, with annual targets set and monitored	Design	Jul-21	◑
					Implement	Dec-21	◑
					Embed	Sep-23	◕

3.2.5. Governance – Board Effectiveness

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
19	The Board of icare should include one or more members who possess extensive public sector experience and workers compensation insurance experience.	Enterprise Improvement Program	Governance Stream	1.5 Board Composition	Design	May-22	◕
					Implement	Dec-22	◕
					Embed	Nov-23	◕
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 Program	Governance Stream	1.5 Board Composition	Design	May-22	◕
					Implement	Dec-22	◕
					Embed	Nov-23	◕
21	That the Audit and Risk Committee (ARC) be split into a separate Audit and a separate Risk Committee.	Enterprise Improvement Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◕
					Implement	Jul-22	◕
					Embed	Feb-23	○

3.2.6. Governance – Board Terms and Succession-Planning

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.5 Board Composition	Design	May-22	◗
					Implement	Dec-22	◔
					Embed	Nov-23	◔

3.2.7. Governance – Executives

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◕
					Implement	Dec-21	◑
					Embed	Dec-22	◔

3.2.8. Executive Remuneration

#	Recommendation	Plan	Stream	Initiative	Phase	Date of Final Key Milestone	Status 4
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 Program	Culture and Accountability Stream	5.4 Refreshed Remuneration Framework	Design	Jun-23	◕
					Implement	Dec-23	○
					Embed	Dec-23	○
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 Program	Culture and Accountability Stream	5.4 Refreshed Remuneration Framework	Design	Jun-23	◕
					Implement	Dec-23	○
					Embed	Dec-23	○

3.2.9. Financial Management, Staffing and Costs

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status 4
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 Program	Enterprise Sustainability Stream	6.3 Expense Management	Design	May-22	◕
					Implement	Dec-22	◕
					Embed	Jul-23	○
28	icare to report publicly and in detail each year on its transformation expenditure and on the benefits being delivered from it.	Enterprise Improvement Program	Enterprise Sustainability Stream	6.2 Benefits Realisation Framework	Design	May-22	◕
					Implement	Sep-22	○
					Embed	Dec-23	○

3.2.10. Culture – Oversight by SIRA

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.7 Board and Committee Actions Schedule Process	Design	Feb-22	◕
					Implement	Mar-22	◑
					Embed	Dec-22	◔
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 Program	Governance Stream	1.7 Board and Committee Actions Schedule Process	Design	Feb-22	◕
					Implement	Mar-22	◑
					Embed	Dec-22	◔

3.2.11. Ministerial Oversight

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Governance Stream	1.6 Committee Structure, membership and Charter Review	Design	May-22	◕
					Implement	Jul-22	◔
					Embed	Feb-23	○

3.2.12. Realisation of Benefits

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status 4
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 Program	Enterprise Sustainability Stream	6.2 Benefits Realisation Framework	Design	May-22	◗
					Implement	Sep-22	○
					Embed	Dec-23	○

3.2.13. Implementation

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status 4
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 Program	N/A	Treasury Reporting	Design	Feb-22	◐
					Implement	Feb-22	◗
					Embed	Feb-23	○

3.2.14.Measurement of Financial Sustainability of the NI

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date of Final Key Milestone	Status [4]
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 Program	Enterprise Sustainability Stream	6.1 Capital Management Policies (NI and LTCS)	Design	Jun-21	●
					Implement	Mar-22	◕
					Embed	Jun-22	◔

4. Initiative Phase Assessment

During the Reporting Period, Promontory completed its assessment of two Initiative Design Phases which were assessed as complete and effective. A further 24 Phases remained under assessment as at the Reporting Date.

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

In assessing whether an Initiative Phase is complete, we look for evidence that the specific tasks described under the Key Milestones and Definitions of Done have been carried out. We also look for evidence that the completed activity has contributed to achieving the Target State of the relevant Stream.

Table 4.1 provides a list of the Phases that were assessed as complete and effective during the Reporting Period. We have also included summaries of our assessment of these Activities below.

Table 4.1: Phases Assessed as Complete

Stream	Initiative	Phase	Phase Closure Date
Risk Uplift	**2.14**	Design	21 June 2022
Enterprise Sustainability	**6.1**	Design	27 June 2022

Assessment of Initiative 2.14 Design Phase

The Design Phase of Initiative 2.14 requires icare to design a speak up hotline and revise the Reporting Wrongdoing Policy.

Work completed by icare in relation to this Initiative Phase included:

- engaging an external provider to design and operate a whistle-blower hotline service;

- updating the Reporting Wrongdoing Policy to note the new hotline and clarify steps to determine a Public Interest Disclosure; and

- reviewing the Reporting Wrongdoing Policy to ensure that it aligns with Public Interest Disclosure Act requirements.

After reviewing the Closure Pack for this Phase, Promontory requested and received further information on steps taken to develop supporting templates and procedures from the external provider.

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

Assessment of Initiative 6.1 Design Phase

The Design Phase of Initiative 6.1 requires icare to update its Capital Management Policies for NI and Lifetime Care and Support Policies to include the funding ratio and obtain Board approval. It also requires accountability for oversight over the Capital Management Policies to be assigned to the CFO and the Chief Actuary.

Work completed by icare in relation to this Initiative Phase included reviews of the Capital Management Policies by key stakeholders, including the CFO, Chief Actuary, Asset Liability Committee, and the Board prior to final approval.

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

- feedback received from key stakeholders on the draft Capital Management Policies;

- evidence defining accountabilities of the CFO and Chief Actuary for oversight over the updated Capital Management Policies; and

- alignment of the pricing and levy policies with the Capital Management Polies.

Based on our assessment of the Phase Closure Pack, and the additional information we received, we concluded that the Definition of Done for the relevant Key Milestone has been met.