Chapter 10
The Year 2000 Program

Contents

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Background

10.1   In 1997, we conducted a project to determine the Province's state of readiness for the Year 2000 and the challenges it brings for the government's computer systems. Specifically, our Office reported on the Province's effort to address the Year 2000 programming problem. In our 1997 Report, we commented that insufficient resources may have been allocated. We reported that insufficient resources could prevent the Province's Year 2000 Program from being completed in time.

10.2   Our Office also found that the reporting mechanisms existing at that time did not allow regular, frequent and mandatory reporting to the Board of Management on the government's overall progress in meeting Year 2000 compliance.

Scope

10.3   As a follow-up to our 1997 comments, we conducted a short survey of government organizations (departments and agencies) which we audit. A total of twenty-two surveys were circulated. Respondents were asked to complete the surveys as at 31 December 1997. This was in order to give our Office a point-in-time perspective on the Province's progress in achieving Year 2000 compliance.

10.4   No verification has been carried out to validate the information supplied by these entities.

10.5   The results of our survey were made available to the Secretary to the Board of Management. This chapter reports on our survey findings as of 31 December 1997 as well as a September 1998 update from the Secretary to the Board.

Results in brief

10.6   The response from the Secretary to the Board of Management (Board) indicates that the Board now receives monthly verbal updates as well as full, written quarterly reports from the Department of Supply and Service's Corporate Information Management Services (CIMS).

10.7   The response from the Secretary to the Board indicates that all major application efforts are progressing as planned and that projected completion dates are within the target.

10.8   The response from the Secretary to the Board indicates that CIMS has recently established a Business Continuity Planning Unit designed to assist departments with their contingency planning. At

31 December 1997, our survey indicated a lack of contingency planning.

10.9   Government organizations are aware that the impact of the Year 2000 programming problem extends well beyond their organization's information technology branch or division.

10.10   Organization sponsors not only demonstrate a corporate outlook, but also have the ability to set priorities and allocate resources.

10.11   The Province of New Brunswick has implemented a standard set of criteria to evaluate its progress toward Year 2000 compliance: the Gartner Group's COMPARE methodology (COMpliance Progress And REadiness).

10.12   At 31 December 1997, our survey revealed that only fifty percent of government organizations had created formal, documented "terms of reference" for guiding managers and their year 2000 projects. Of those, one was found to reflect only software applications; hardware and embedded technology were not mentioned.

Frequency and timing of updates

10.13 At 31 December 1997, only twenty-eight percent of those responding had updated their senior managers on progress toward Year 2000 compliance. Fifty-five percent of surveys indicated that updates may be occurring no more than once per year.

10.14 This reinforced our Office's previous position. A mandatory reporting mechanism should be in place to provide senior managers (including the Board of Management) with regular and frequent information on the Province's progress towards Year 2000 compliance.

Response from the Secretary to the Board of Management

10.15 *I agree it is important for Board of Management to be kept appraised of the state of readiness of the Province in meeting Year 2000 compliance.*

10.16 *Board of Management receives not only the regular Quarterly Reports presented by the Program Management Office of the Department of Supply and Services detailing departmental progress but also monthly verbal updates to ensure that any problems associated with funding or the progress of an initiative are quickly addressed.*

10.17 *Exception reporting is also requested when the Board requires further information on a specific department or application. In addition, the Information Technology Strategic Steering Committee (ITSSC) of Deputy Ministers has been mandated to monitor the ongoing progress of the Year 2000 initiative.*

Funding of Year 2000 programs

10.18 Year 2000 experts have stated unequivocally that the scarcity of qualified personnel will continue. As these resources become more scarce, costs will increase dramatically. Lack of immediate funding could increase the total cost of Year 2000 programs.

10.19 Most importantly, however, delays in any government organization due to funding may in fact extend the expected implementation and testing dates for mission-critical systems beyond the deadline. Business interruptions may result.

10.20 Our survey suggested that three organizations (or seventeen percent) suffered delays in the Year 2000 Program initiatives due to insufficient funding.

Response from the Secretary to the Board of Management

10.21 *The latest verbal report assured the Board that all major application efforts were progressing as planned and that projected completion dates are within the target.*

10.22 *The Project Management Office and Departments have been directed to take what action is necessary to solve the Year 2000 problem within the following guidelines:*

1. *Focus existing resources whenever possible. Establish priorities.*

2. *After reviewing priorities, and the dollars available, departments requiring additional funding will present their requests to the Board.*

10.23 *Board of Management wants to ensure Departments do everything in their power to fund the problems themselves, but when it becomes clear additional funding is necessary that funding will be provided.*

Contingency planning

10.24 Our surveys of 31 December 1997 indicated that approximately thirty-three percent of government organizations will not implement their mission-critical systems until at least mid-1999. For some of those reporting, the deadlines appear to be very tight. There is little, if any, margin for contingencies which might delay full implementation of mission-critical systems.

10.25 Our surveys also revealed that only one department had developed a contingency plan for the eventuality that affected systems will not function, or function properly, when the deadline is reached. Seven departments (or thirty-nine percent) reported that staff had been assigned to deal with this issue. However, at least three of these staff were assigned to this task on a part-time basis.

10.26 Based on the results of our surveys, we found a lack of contingency planning and this concerned our Office. Should the repair, development or acquisition of these systems suffer any

significant delays or should they fail when implemented, it may be too late to prevent interruptions in the business of the organizations. The federal Task Force Year 2000 recommends that contingency plans should be completed between mid-1998 and mid-1999.

Response from the Secretary to the Board of Management

10.27   *The Program Management Office [PMO] has been expanded and has established a Business Continuity Planning Unit. This Unit is available to assist departments with their contingency planning.*

10.28   *In fact, the PMO has been advising departments in the issue of risk management, especially in Mission Critical areas and this Unit will provide support and information to departments to conduct this effort by developing a detailed guideline on Year 2000 Business Continuity Planning.*

10.29   *In addition, this Unit will manage the formation and subsequent activities of corporate Year 2000 emergency response teams for the final days of 1999 and the first days of 2000. There will be one plan for corporate issues and one to support departments. Departments will also be assisted in the formation of departmental Year 2000 emergency response teams.*

Sponsorship of the Year 2000 Program

10.30   Last year, our Office concluded that responsibility for planning, implementation and testing of Year 2000 compliant systems resides solely within government organizations. It is therefore imperative that all organizations demonstrate their understanding of, and commitment to, this initiative.

10.31   The federal Task Force Year 2000 makes the following statement in its report, *A Call to Action*:

> *When first confronted with the Year 2000 problem, the reaction of most business executives is to rely on their information specialists to come up with a relatively short process leading to a reasonably simple solution. But as they begin to look into the problem, it becomes apparent that this is a much more complicated, serious and expensive problem than they had originally thought. They also soon realize that the solution requires the involvement of every facet of a corporate operation. It is a critical business challenge.*

10.32   This concept applies equally to our government's Year 2000 Program. The level of organizational sponsorship should be a reflection of the importance of the Year 2000 programming problem to the everyday business of government organizations.

10.33   Based on the results of our survey, our Office found that seventy-eight percent of organizational sponsors held Administration, Finance or other corporate-oriented positions as opposed to

information technology positions. This indicated organizations were aware that the impact of the Year 2000 programming problem extends well beyond their information technology branch or division.

10.34   Commitment to the Year 2000 Program would be demonstrated if organizational sponsorship responsibility has been given to those who are in a position to influence the setting of priorities and the allocation of resources.

10.35   **Our survey found that fifty percent of organizational sponsors held the position of Deputy Minister or Assistant Deputy Minister (and equivalent). A further twenty-two percent held the position of Executive Director. Based on these results, our Office can conclude that most organizational sponsors not only demonstrate a corporate outlook, but have the ability to influence and allocate resources.**

Progress in meeting Year 2000 compliance

10.36   In response to the concerns expressed in our 1997 Report, the Corporate Information Management Services (CIMS) of the Department of Supply and Services stated that they endorsed a process which provides timely and appropriate information to the PMO. This information would be compiled for regular reporting to the Information Technology Strategic Steering Committee (ITSSC) and the Board of Management (BOM).

10.37   The proposed methodology was the Gartner Group COMPARE (**COM**pliance **P**rogress **A**nd **RE**adiness) methodology. The COMPARE methodology provides a set of standard criteria to evaluate progress toward Year 2000 compliance that can be used by many types of organizations, including the Province and its departments.

10.38   **The response from the Secretary to the Board indicates that the COMPARE methodology will be used in future reporting to reflect the Province's current state of readiness.**

Year 2000 project management

10.39   The Year 2000 deadline is inflexible. Given increasing scarcity of resources like time, qualified personnel and money, it may be prudent for departments and other organizations to put aside other information technology or business initiatives and focus primarily, if not solely, on the Year 2000 Program to ensure that it is completed in time. Additional full time personnel may be required.

10.40   Even if sufficient personnel are obtained, they must have clear direction on what is to be accomplished. Project managers and staff must deal with a multitude of conflicting priorities, deadlines and budgets in meeting Year 2000 compliance. Even the definition of "Year 2000 compliance" is subject to some debate. Organizations must create and document adequate "terms of reference" which will guide the managers and their projects. This kind of mandate gives project managers the authorization to achieve the necessary result within a specified area of responsibility.

10.41   Without such a key piece of planning being documented, the implementation of Year 2000 programs may suffer. The worst case scenario is that a mission-critical part of the organization may be missed entirely.

10.42   Our survey as at 31 December 1997 revealed that only fifty percent of organizations had created formal, documented "terms of reference" for guiding managers and their year 2000 projects. Of those, one was found to reflect only software applications; hardware and embedded technology were not mentioned.