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

Second Quarterly Update

31 May 2022

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Contents

Abbreviations & Definitions

CEO	Chief Executive Officer
Closure Pack	A pack of documents provided to Promontory for assessment, that includes a description of the actions icare has undertaken as part of a Phase and evidence that demonstrates the effectiveness of those actions
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
The 'icare way'	a project delivery framework that sets out a consistent approach for the execution of all projects across the organisation.
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
Line 1	icare's first line of defence, the front line and operational function
Line 2	icare's second line of defence, the risk function
McDougall Recommendations	The 31 recommendations made in the McDougall Report that are relevant to icare

McDougall Report	The report delivered at the conclusion of the McDougall Review
McDougall Review	The icare and State Insurance and Care Governance Act 2015 Independent Review
must-do	Non-negotiable initiatives, considered mandatory for the given financial period
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
NSW	New South Wales
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
Sub-Programs	The EI Sub-Program and NII Sub-Program
Promontory or we	Promontory Australia, a business unit of IBM Consulting
RAG	Red, Amber or Green
RAID Register	Risks, Assumptions, Issues and Dependencies Register
Recommendations	The McDougall Recommendations and GAC Recommendations
Reform PMO	The Reform Program Management Office
Reporting Date	30 April 2022
Reporting Period	The period from 1 March 2022 to 30 April 2022
Reports	The McDougall Report and GAC Report
Reviews	The McDougall Review and GAC Review
Second Quarterly Update or 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
Streams	Thematic areas of work that icare is completing to address the Recommendations

Executive Summary

This is Promontory's Second Quarterly Update, which sets out our independent assurance over icare's Improvement Program. This update sets out our observations on icare's progress on the Improvement Program during the period from 1 March 2022 to 30 April 2022.[1] It follows our Final Establishment Report and First Quarterly Update.

Background

icare is responsible for managing over a dozen insurance and care schemes within NSW, the largest of which is the Workers Compensation Nominal Insurer Scheme.

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

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

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. These independent assurance services include:

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

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[1]The reporting period for this update is slightly shorter than usual as our Final Establishment Report considered developments up to the date of publication. This update also takes into account the final approval of the NII Plan in May. The reporting period for future updates will be three months.

- monitoring the status and progress of the Improvement Program;

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

- reporting on our findings.

Progress on Implementation

Of the 107 recommendations made by the reviews, 98 are being addressed through the Enterprise Improvement Sub-Program. Another nine recommendations are being addressed through the Nominal Insurer Improvement Sub-Program.[2]

icare has made considerable progress in commencing work within the Design and Implement Phases of Initiatives within the Improvement Program. As at 30 April 2022:

- icare had commenced work on 30 Design Phases, 25 Implement Phases and 13 Embed Phases; and

- work on 26 Initiative Design Phases, 11 Implement Phases and four Embed Phases had been completed but had not yet been provided to Promontory for assessment.

As expected at this early stage of the Improvement Program, there is still further work to be performed on both the Implement and Embed Phases as well as the provision of Closure Packs to Promontory for assessment. As at 30 April 2022:

- icare was yet to commence work on one Design Phase, 22 Implement Phases and 41 Embed Phases; and

- icare had provided one Design Phase Closure Pack to Promontory for assessment.

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[2] One of the nine recommendations listed as being addressed through the Nominal Insurer Improvement Sub-Program is not yet included within the Sub-Program. However, icare noted this recommendation will be included under the Nominal Insurer Improvement Sub-Program during the next reporting period.

icare's progress is set out in Figure 1.

Figure 1: Phase Status Summary
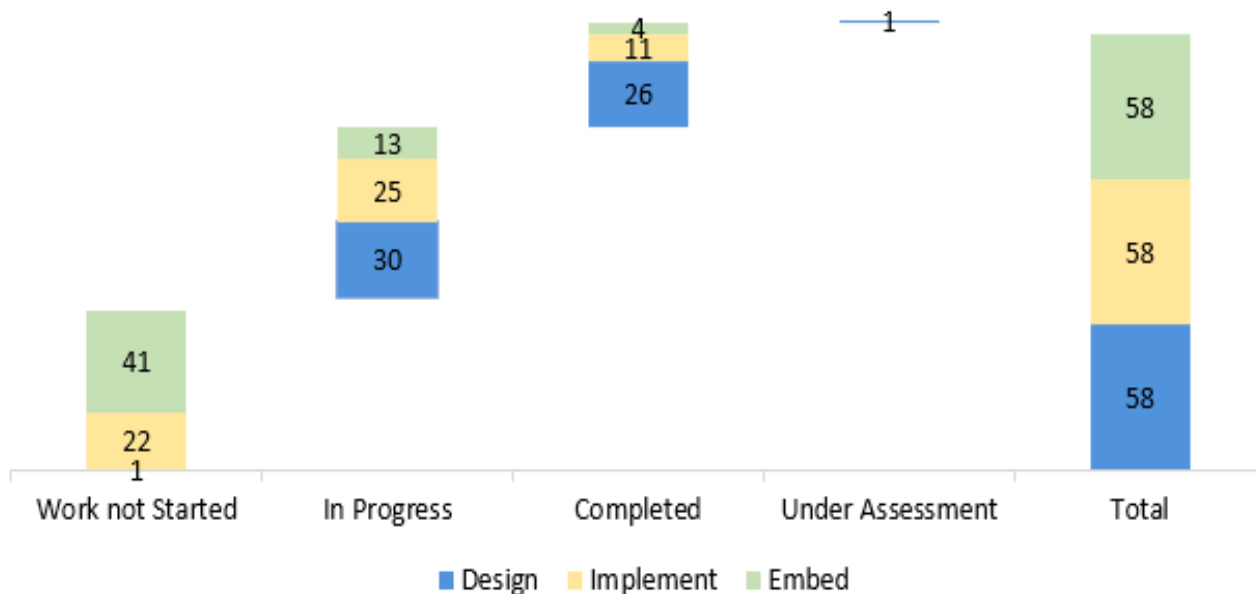
Program Development and Focus Areas

Responding to the recommendations requires icare to undertake significant changes to several areas across the organisation. As at 30 April 2022, icare has completed a considerable amount of preparatory work, which has allowed the Improvement Program to begin to shift its focus from planning to implementation.

Importantly, icare has, since our Final Establishment Report, achieved a significant milestone by finalising both plans that outline the remediation actions that will be undertaken to address the relevant recommendations from the reviews.

The Improvement Program has been established with sound foundations and an emphasis on completing activities in a timely manner. Governance forums are providing effective forums for discussion of program progress and risks. In particular, Promontory has observed a positive shift in governance forums from the planning phase towards ensuring the Improvement Program delivers its intended outcomes. It is essential for this oversight at both the Board and Executive levels to continue over the life of the program.

These developments represent important positive progress for icare's Improvement Program. However, such broad-based programs require sustained ongoing commitment and there is still much work to be done to effectively implement the changes set out in the Improvement Program. To ensure this positive momentum continues, icare will need to focus on further developing its approach to key

aspects of the program that are critical to successful delivery of the intended outcomes. To its credit, icare has identified certain program challenges and areas requiring focus and is monitoring and addressing them as key program risks.

The following are key areas that will require icare's focus as the program transitions from planning to implementation:

- the prioritisation of work to address the recommendations;

- ensuring adequate resourcing capacity and capability; and

- the effective management of program dependencies.

Each of these areas is discussed in further detail below.

icare has established the foundations necessary for ensuring effective project prioritisation, with a designation of 'must-do' assigned to the Improvement Program. This designation assigns a top priority and a sense of urgency to the Improvement Program.

This is a clear indication of icare's commitment to the Improvement Program and will require icare to ensure that there is ongoing comprehensive management and planning around potential capacity issues that could impact program execution.

Ensuring effective prioritisation is important as, given the volume of work to be undertaken, it is not practical for every item within the Improvement Program to be given top priority. As such, the relevant governance bodies should carefully weigh the relative level of focus that is given to each Initiative within the Improvement Program. Sufficient attention and effort need to be concentrated on those Initiatives that will have the greatest impact and/or are more challenging to deliver.

The Improvement Program is being implemented during a period where the market demand for certain roles, including risk specialists, is high. In this context, icare has continued to identify resourcing as a challenge through its Improvement Program oversight. icare should address this by continuing to give careful attention to resourcing issues, including consideration of how best to ensure that adequate levels of resources are available to support the successful delivery of the Improvement Program.

Promontory observed, through attendance at various governance forums, icare's awareness of the importance of having the necessary capacity and capability to support its reform agenda, with resourcing receiving significant attention.

While icare has made progress in managing resourcing issues, it continues to experience resourcing challenges in filling certain roles, and this will require ongoing attention. These challenges are exacerbated by the broader market conditions and are evident across a number of areas of the Improvement Program.

In such an environment, staff turnover has the potential to complicate resourcing by raising challenges for the continuity of both the Improvement Program and organisational knowledge. While there will

inevitably be changes to staff during the program, icare will need to ensure that adequate handover processes are in place to support continuity in implementation.

As noted in our Final Establishment Report, effective dependency management is critical in a program of this size and complexity as there is a high degree of interaction between activities.

icare has made some positive progress in the establishment of its dependency management processes. Promontory observed a heightened focus on dependency management within governance discussions and an uplift in the documentation of dependencies, particularly within the Enterprise Improvement Sub-Program.

Nonetheless, further work will be required to effectively manage dependencies in a program of this size and complexity. In this context, icare is undertaking further work towards establishing a centralised and structured process for the management of dependencies across the Improvement Program. In this regard, a centralised record of dependencies will need to be completed for the Nominal Insurer Improvement Sub-Program, and various other key program dependencies will need to be formally documented. These include:

- cross-program dependencies;

- dependencies on enabling functions (such as technology solutions); and

- dependencies on other projects that icare is undertaking outside of the Improvement Program.

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.

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.[3] 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.[4] The GAC Report made a number of findings, which included a lack of discipline in delivering timely and quality outcomes to customers, and the need for significant improvement in icare's risk and compliance framework. The GAC Report contains 76 recommendations relevant to icare (**GAC Recommendations**).

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[3] The McDougall Report is available here.

[4] The GAC Report is available here.

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 Improvement 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.[5]

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

For each of the Sub-Programs a separate plan has been developed that outlines the remediation actions that will be taken to address the relevant Recommendations. These actions are grouped into areas of related work (**Streams**). 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.

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[5] 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.

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 Improvement Program as it relates to the Recommendations of the Reviews.

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 second update (**Second Quarterly Update** or **Update**) on icare's progress addressing the Recommendations of the Reviews. It highlights key challenges to the successful execution of the Program and summaries icare's progress in addressing the Recommendations of the Reviews.

For the purposes of this Update, we have considered developments that occurred from 1 March 2022 to 30 April 2022 (**Reporting Period**). The status of icare's progress against the Recommendations is reported as at 30 April 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; and

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

2. Observations and Focus Areas

The Improvement Program is a broad multi-year program of work. The successful execution of the Program will require icare to make wide-ranging changes to its risk governance, accountability and culture, icare will need to invest appropriate resources to support these changes.

Importantly, icare has now finalised the NII Plan and made further refinements to the approved EI Plan, which clearly map out a path to address the Recommendations.[6] The finalisation of the two plans is a critical step for the Program. This now provides the basis for icare to deliver the changes that will uplift risk management and culture.

During the Reporting Period icare completed a considerable amount of work, which has allowed the Program to shift its focus from planning to execution. Key aspects of the Program, such as reporting and governance forums, are continuing to provide a sound basis for implementation and ongoing oversight. We observed improvements in the way the Reform PMO continued to develop good project management disciplines for the effective delivery of the Improvement Program.

These positive developments are important, as programs of this scale require both a solid foundation and ongoing commitment. It is still relatively early in the life of the Program, and there is much to do, so leadership from the Board and Executive will remain critical. While icare has made good progress towards establishing an effective operating rhythm, it must continue to focus on its approach to areas that are critically important to ensuring the successful delivery of the intended outcomes of the Improvement Program. These areas include:

- the prioritisation of work to address the Recommendations;

- resourcing to ensure adequate capacity and capability; and

- the effective management of Program dependencies.

We provide more detail on these and other key areas of focus below. Promontory will continue to monitor icare's progress in addressing these areas of focus.

2.1. Prioritisation

icare has an organisation-wide Prioritisation Framework to manage competing priorities across the portfolio of projects it is undertaking. Generally, under the Prioritisation Framework, projects are ranked according to their relative prioritisation. The Prioritisation Framework also incorporates a 'must

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[6] Although the NII Plan received final approval in May outside of the Reporting Period, as this was a significant development, we have considered it as part of this Update.

do' overlay, which assigns the highest level of priority to the most important projects. 'Must do' initiatives are non-negotiable and are considered mandatory.

During the Reporting Period, icare confirmed that the aspects of the EI Sub-Program and NII Sub-Program that address the Recommendations have been designated as 'must do'. This is a positive and necessary step. However, icare must ensure that practical effect is given to this designation and that these aspects of the Program are appropriately supported in a way that is consistent with their designation. While we have observed that prioritisation is being given active consideration in governance forums, there is scope to improve aspects of the process at this point in the Program.

Currently, 'must do' projects are not weighed against capacity to execute until after the prioritisation process. There is therefore the potential for 'must do' projects to be delayed if adequate capacity is not made available. icare should ensure it manages this risk by ensuring action plans are consistent with the assigned priority to address potential constraints, with consideration given to the ability of the Program to achieve its objectives in a timely manner.

For example, during the Reporting Period, we observed that despite being rated 'must do' the changes to the complaints handling system under the Customer Uplift Stream have not progressed as far as anticipated due to resourcing constraints. Further work is now underway to develop a clear pathway forward to deliver this key Initiative.

We observed discussions in various governance forums on the need for prioritisation processes to be applied to the work being undertaken within the Improvement Program. The Improvement Program is a large-scale exercise and given the significant volume of work to be done, it is not reasonable to expect that every item can be given top priority. In particular, as icare has acknowledged, there is a very large amount of work to be done in the second half of this calendar year. The Reform PMO, along with relevant governance bodies, should carefully consider the relative level of focus that should be given to each Initiative within the Improvement Program, so that it can ensure that its efforts are concentrated on those Initiatives that will have the greatest impact and/or are more challenging to deliver.

Promontory notes that an in-depth understanding of dependencies will be an important input into this process of intra-Program prioritisation. This prioritisation process will also be facilitated by the recent finalisation of the NII Plan, which provides icare with a clearer picture of the work that will need to be done over the coming period.

2.2. Resourcing

As highlighted in our Final Establishment Report, ongoing Program resourcing challenges faced by icare will need to be effectively managed and addressed to facilitate the successful delivery of the Improvement Program. Promontory recognises that the Program is being implemented in a challenging market environment, with high demand for certain roles. This will necessitate careful attention to capability and capacity issues.

icare is aware of the importance of having the necessary capacity and capability to support its reform agenda. We have observed that resourcing is receiving significant attention in governance forums and other Program meetings, and icare is taking a variety of steps to deal with resourcing issues. There were positive developments during the Reporting Period in relation to resourcing challenges, with key NII and EI Sub-Program roles being filled, including the critical role of the NII Sub-Program Director.

Nonetheless, icare continues to experience resourcing challenges, which are exacerbated by broader market demands. Resource constraints are evident across a number of Streams, including Claims Transition, Culture and Accountability and Customer Uplift. Resourcing challenges in DigiTech have also been identified as a potential cause of delays in the delivery of Streams with technology dependencies.

We understand icare has taken actions to address these resourcing challenges. These actions include:

- Resourcing issues are a focus of and actively discussed at key governance forums.

- Plans have been developed to identify and address capacity and capability needs.

- Resources have been seconded from the EI to the NII Sub-Program. While this has helped with resourcing issues in the NII Sub-Program, it has resulted in gaps in the EI Sub-Program (in the Risk Uplift Stream) which are currently being addressed.

- A transition and contingency resource pool is being developed to address resources gaps within the Program. This pool of resources will be available to support programs where short-term resource gaps have been identified.

- Temporary and contracted resources (such as external contactors and consultants) have been used to fill identified gaps. For example, external consultants were used to support change management activity and external resources are being sourced to support Learning and Development.

We consider these to be positive steps taken by icare towards addressing the resourcing challenges faced by the Program.

icare notes that it will be several months before the contingency resource pool will be available to support the Program. As we have noted in our previous update, icare is using external consultants and contractors to assist in Program delivery, which is not unusual for exercises of this scale. However, in the interest of ensuring the sustainability of Improvement Program outcomes, icare should ensure that the use of external consultants and contractors is undertaken in such a way that activities can be effectively embedded into the business once the consultants have concluded work.

For certain roles, icare's ability to address resourcing issues has been affected by the current market environment. In particular, icare has experienced difficulty recruiting staff in a timely manner for key positions, including a Master Scheduler to manage dependencies. Staff movement, which is also

exacerbated by the current market environment, can also present a challenge to resourcing. Over the Reporting Period there have been significant changes to key internal stakeholders (including Initiative and Business Owners). While staff attrition and movement is to be expected, icare should ensure a thorough handover process to support continuity of the Improvement Program and organisational knowledge.

In addition to the difficulties in the speed of recruitment, icare is dealing with other challenges related to resourcing. With a large number of Closure Packs required, there is significant work ahead to draft Closure Packs to an appropriate level of quality. icare is working to ensure it has sufficient resources dedicated to drafting Closure Packs to a satisfactory standard for timely delivery.

During the Reporting Period we observed constructive challenges on the resourcing models for the NII Sub-Program at governance forums. We note that some delays in funding approval were due to insufficient detail on the resource requirements presented to the NII Executive Steering Committee, with evidence of strong challenge from the Executives. This challenge is a positive indication of robust governance oversight, and the importance placed by Executives in understanding the detail to enable endorsement and to advocate these complex changes to the Board. As part of this oversight, it is crucial that appropriate funding requirements are supported so as to not further exacerbate resourcing challenges.

2.3. Dependencies

In our Final Establishment Report, we identified dependencies as a key focus area given the importance of effective dependency management in a Program of this size and complexity. It is not unusual to have a high degree of interaction between different activities in a Program of this scale, so this will necessarily be a major focus of Program governance. While work is underway to develop a coordinated approach, icare has not yet developed a centralised, structured process for recording and managing dependencies. Now that the EI and NII Plans have been finalised, there is the opportunity to give greater attention to this important aspect of Program management.

icare is aware of the risks in this area and is giving them active consideration. We observed a heightened focus during the Reporting Period on dependency management. We also observed that governance forums discussed dependencies and their associated risks, including in relation to data and technology dependencies.

At present, dependencies are documented in multiple places and are managed in an ad-hoc way through both governance forums and individual interactions. icare's overall approach to managing dependencies therefore remains decentralised.

icare is undertaking work to uplift dependency management. A Risks, Assumptions, Issues and Dependencies (**RAID**) Register, which is intended to act as a central record of dependencies both within and across EI Sub-Program Streams, has been developed for the EI Sub-Program. A consolidated RAID register for the NII Sub-Program is also under development, building from the individual RAID Registers in place for each Stream. While work is progressing on the identification of dependencies within and across Streams via these RAID Registers, more work is required to fully

populate both registers. There is not yet a sufficiently detailed record of cross-Program dependencies, dependencies on enabling functions (such as technology solutions), and dependencies other projects that icare is undertaking outside of the Improvement Program.

To help improve dependency management, icare has been seeking to recruit a Master Scheduler whose responsibilities will include documenting all dependencies related to the Improvement Program. Due to the competitive market environment, recruiting for this role has been challenging.

Further improvements to dependency management should be a priority area of focus in the coming reporting period. This includes the finalisation of comprehensive RAID Registers and the development of a consistent approach across the Sub-Programs to managing dependencies. Given recruitment challenges, icare is aware that it needs to progress its development of a consistent approach regarding dependency management and that this may require further action prior to the onboarding of a Master Scheduler.

2.4. Other Focus Areas

Governance

The Improvement Program requires effective Board and Executive oversight to maintain momentum and focus. Our observation at this stage of the Program is that governance forums are generally providing a sound basis for oversight and monitoring. The main management-level governance forums for the Improvement Program are detailed in our Final Establishment Report and First Quarterly Update.

icare is using a three point rating scale (Red, Amber, Green, or **RAG**) to report on Program progress and performance. It has given both the EI Sub-Program and the NI Sub-Program an Amber rating at this early stage due to delays with technology enhancements, some resourcing challenges and timing concerns. This is not unusual for programs of this scale at this stage of implementation, and it is positive that the RAG status is being used to call out risks that can be appropriately considered in governance forums.

During the Reporting Period, we engaged with the Board and Executives through various channels related to the Program, including;

- the monthly Board meetings;

- monthly internal audit meetings;

- Sub-Program Executive Steering Committees;

- Program Management Meetings; and

- Monthly Principal meetings with icare's regulator, the State Insurance Regulatory Agency (**SIRA**).

In addition to this, we met with:

- the Chairs of the Board and the Audit Committee;

- the CEO; and

- Executive Sponsors and Business Owners.

During these sessions we observed discussion and challenge on key aspects of the Program, for example on timelines around delivery and the prioritisation of work, particularly in relation to the more challenging initiatives.

We observed various management-level governance forums, including the Sub-Programs' Executive Steering Committees. We noted icare made adjustments to participants attending these Steering Committees during the Reporting Period to appropriately reflect responsibilities within the charters.

It is important that the Program's governance forums continue to challenge and provide oversight over the most significant issues within their remit and key delivery risks. Promontory has observed that where this has been the subject of in-depth discussion, it has resulted in changes that better reflect the status of the Program and prompt action to address underlying risks.

We will continue to monitor the evolution and effectiveness of the key governance forums including at the Board level to ensure that:

- priority is given to the more challenging and far-reaching initiatives, particularly those that require significant change in behaviour; and

- there is support for a co-ordinated approach around raising issues and concerns.

Communications

During the Reporting Period, icare worked to refine the Improvement Program Engagement and Communications Plan. This plan outlines three areas supported by the outcomes of the Improvement Program: risk and governance, performance for icare's customers, and people and accountability. The plan covers icare's internal stakeholder focus and approach, and external reporting to the regulator, government, and the NSW public.

During the Reporting Period, icare increased the focus on communications, introducing change ambassadors and monthly information sessions for internal leaders. Promontory observed the tone from the top was reinforced through Executive external communications in relation to the one-year anniversary of the McDougall Review.

icare is undertaking processes to gather data to identify key themes across the organisation on the level of understanding around the Program to better support delivery and communications. Importantly, icare has tested Program understanding and communication impacts through internal feedback surveys. Surveys conducted during the Reporting Period showed a need for more communication from the Executive on the Improvement Program and its intended outcomes. As a

result, internal communications from the Executive may need to be reviewed to ensure staff across the organisation gain a better understanding of the purpose of the Program and the initiatives being implemented. The ability to gather and act on such feedback on an ongoing basis is important for Program success, and it is a positive feature of icare's internal communications strategy.

Tracking Recommendations

icare has established tracking mechanisms to monitor the progress of the Initiatives in addressing the Recommendations. These mechanisms will provide data that should allow for better tracking and management of progress against each Recommendation.

icare should consider developing outcome measures that assess and track the effectiveness of the Initiatives in addressing the Recommendations, and any resulting uplift achieved. These measures would also facilitate Program reporting to relevant governance forums.

Change Control Framework

During the Reporting Period, we noted that changes to the financials and resources of the Improvement Program are to be managed through the 'icare way'. The 'icare way' is a project delivery framework that sets out a consistent approach for the execution of all projects across the organisation. Having a consistent and coordinated approach is important for Program execution.

Change to non-financial and resourcing aspects, including scope, schedule and key milestones will be managed through the Reform PMO quarterly, utilising a formal approval process. Promontory will monitor the effectiveness and adherence to this change control process during the next reporting period.

3. Recommendation Progress

icare continues to make significant progress on scoping and finalising Program activities which are intended to address the Recommendations. icare has now completed the mapping of the Initiatives within the NII Sub-Program to the relevant Recommendation they address, with the relevant Plans approved by the NII Steering Committee on 23 May 2022.

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 Commenced	Work Completed	Under Assessment	Total
Design	1	30	26	1	58
Implement	22	25	11	0	58
Embed	41	13	4	0	58
Total	**64**	**68**	**41**	**1**	**174**

Work on the Design Initiative Phases has commenced, with a significant amount completed as at the Reporting Date. Most of the work on Implement Initiative Phases has also commenced or has been completed. As expected at this early stage of the Improvement Program, icare is yet to start work on the majority of Embed Initiative Phases.

The remainder of this Chapter provides further details on icare's progress in addressing each Recommendation.

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
◕	Promontory's assessment of the Initiative Phase has commenced but has not yet been completed

Indicator	Description of Progress
●	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 relied on the assessment of progress as summarised in status reports provided by icare. The extent to which these Initiatives have progressed has not been independently verified.

Progress against each of the Phases within the Initiatives that have been mapped to each Recommendation as at the Reporting Date is reported in the sections below.

3.1. GAC Recommendations

3.1.1. Role of the Board

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	May-22	◐
					Implement	Jul-22	◐
					Embed	Feb-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	○
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	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	○
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	1.1 Executive and management forums	Design	Jun-21	◑
					Implement	Dec-21	◑
					Embed	Dec-22	◕
				1.8 Uplift quality of Board and Committee papers and reporting	Design	May-22	◕
					Implement	Jun-22	◕
					Embed	Dec-23	○
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	Feb-23	◕
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	Feb-23	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	○

3.1.2. Senior Leadership Oversight

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	◕
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	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	◔
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	◔
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	◔

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	TBC	◕
					Embed	Jan-23	○

3.1.3. Risk Management and Compliance

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	○
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	Mar-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	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Status
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	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◑
					Implement	Dec-21	◑
					Embed	Dec-22	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
30	The CRO to be made accountable for management of the regulator relationship.	Enterprise Improvement Program	Governance Stream	1.3 Stakeholder Accountability Framework	Design	Apr-22	◐
					Implement	May-22	○
					Embed	Dec-22	○
			Risk Uplift Stream	2.15 CRO Accountability for Regulator Relationship[7]	Design	TBA	◑
					Implement	TBA	◑
					Embed	TBA	◑
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[8]	Design	TBA	◔
					Implement	TBA	○
					Embed	TBA	○

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[7] The plan for this Initiative is not yet finalised. The dates for each Initiative Phase will be confirmed once the Initiative is finalised in May 2022.

[8] The plan for this Initiative is not yet finalised. The dates for each Initiative Phase will be confirmed once the Initiative is finalised in June 2022.

3.1.4. Issue Identification, Escalation and Resolution

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	2.1 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	Status
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	Status
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[9]	Design	TBA	◑
					Implement	TBA	◑
					Embed	TBA	◑
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	◕

[9] The plan for this Initiative is not yet finalised. The dates for each Initiative Phase will be confirmed once the Initiative is finalised in May 2022.

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	May-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	Status
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	Status
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	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◑
					Implement	Aug-21	◑
					Embed	Dec-22	◕

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Aug-22	○
					Embed	Nov-22	○
				N3.2 NI Claims Provider Performance Management	Design	Apr-22	◕
					Implement	Aug-22	○
					Embed	Nov-22	○
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	Aug-22	○
					Embed	Nov-22	○
				N3.2 NI Claims Provider Performance Management	Design	Apr-22	◕
					Implement	Aug-22	○
					Embed	Nov-22	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Jun-23	◔
					Implement	Nov-22	○
					Embed	Mar-24	○
			CSP Procurement and Provider Performance Stream	N3.2 NI Claims Provider Performance Management	Design	Apr-22	◔
					Implement	Aug-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	Jun-23	◔
					Implement	Nov-23	○
					Embed	Mar-24	○
			CSP Procurement and Provider Performance Stream	N3.1 NI Claims Management Procurement	Design	Apr-22	◔
					Implement	Aug-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	Status
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	2.1 Review and refresh of risk and compliance artefacts	Design	Jul-21	◐
					Implement	Aug-21	◐
					Embed	Dec-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	○
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	Jun-23	○
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	May-22	◔
					Implement	Aug-22	○
					Embed	Mar-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	2.6 Further refinement of the 3 Lines of Defence	Design	Nov-20	◑
					Implement	Mar-22	◕
					Embed	Apr-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	Jun-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	Jun-23	○
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	Jun-23	○

3.1.7. Accountability

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Dec-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	○
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	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Dec-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	○
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	Dec-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	Dec-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	Status
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	Dec-23	○
					Embed	Dec-23	○
				5.4 Refreshed Remuneration Framework	Design	Jun-23	◑
					Implement	Dec-23	○
					Embed	Dec-23	○
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	Governance Stream	1.3 Stakeholder Accountability Framework	Design	Apr-22	◑
					Implement	May-22	○
					Embed	Dec-22	○
			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	May-22	○
					Embed	Dec-22	○

3.1.8. Culture

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Jan-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Jan-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
				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	Status
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	Jun-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	Jan-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	Status
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	Jan-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	Status
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	Governance Stream	1.1 Executive and management forums	Design	Jun-21	◐
					Implement	Dec-21	◐
					Embed	Dec-22	◕
			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	○
				5.5 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	Status
				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	Status
75	Identify and embed the critical few behaviours it needs to drive effective governance and accountability practices. The may include behaviours associated with constructive challenge, speaking up and safety in doing so, listening to other areas of expertise, learning and responding, but also to further embed collaborative partnering.	Enterprise Improvement Program	Culture and Accountability Stream	5.1 Refreshed purpose, vision, leadership behaviours and values	Design	Jul-21	◑ half
					Implement	Dec-21	◑ half
					Embed	Jun-23	◔ quarter
				5.2 Leadership development for senior leaders	Design	Sep-21	◑ half
					Implement	Aug-22	◔ quarter
					Embed	Jul-23	○ empty
				5.5 Alignment of all people experiences to reinforce values and behaviours	Design	Jan-23	◔ quarter
					Implement	Feb-23	○ empty
					Embed	Dec-23	○ empty
				5.6 Alignment of People Experiences	Design	Dec-22	◔ quarter
					Implement	Jun-23	○ empty
					Embed	Jul-23	○ empty
				5.7 Culture measurement with annual targets set and monitored	Design	Sep-22	◔ quarter
					Implement	Jun-23	○ empty
					Embed	Jan-23	○ empty
				5.8 Refreshed HR Policy framework and content to reinforce culture and ensure role clarity for leaders as appropriate	Design	Jun-22	◔ quarter
					Implement	Jun-23	○ empty
					Embed	Dec-23	○ empty

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
				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	Status
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	Status
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-22	◕
					Embed	Aug-23	○
				N5.3 Implement and Embed the Professional Standards including accreditation and learning pathways	Design	Aug-22	◕
					Implement	Dec-22	○
					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[10]	Design	TBA	◐
					Implement	TBA	◐
					Embed	TBA	◐

[10] The plan for this Initiative is not yet finalised. The dates for each Initiative Phase will be confirmed once the Initiative is finalised in May 2022.

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Aug-22	○
					Embed	Nov-22	○
			Claims Service Provider Transition Stream[11]	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-22	○
					Embed	TBA	○
				N4.4 Policy Transfers	Design	TBA	◔
					Implement	TBA	○
					Embed	TBA	○

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

			Professional Standards and Capability Stream	N5.2 Deliver the capability strategy and defined career pathways to embed professional standards	Design	Dec-22	◐
					Implement	Feb-22	◕
					Embed	Aug-23	○

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Dec-22	◑
					Implement	Feb-22	○
					Embed	Aug-23	○
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	N5.2 Deliver the capability strategy and defined career pathways to embed professional standards	Design	Dec-22	◑
					Implement	Feb-22	◑
					Embed	Aug-23	○
				N5.3 Implement and Embed the Professional Standards including accreditation and learning pathways	Design	Aug-22	◑
					Implement	Dec-22	○
					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	Mar-22	◑
					Embed	Oct-22	○

3.2.2. Probity and Procurement

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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[12]	Design	TBA	◐
					Implement	TBA	◕
					Embed	TBA	○
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	Jun-22	◕
					Embed	Dec-22	○
				3.3 Transparency and Policy	Design	Jun-21	◐
					Implement	Jun-22	◕
					Embed	Dec-22	○

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[12] The plan for this Initiative is not yet finalised. The dates for each Initiative Phase will be confirmed once the Initiative is finalised in May 2022.

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
11	Establish a regular education program to demonstrate to staff how governance systems help improve performance and achieve goals, and ensure that staff understand the expected behaviours and requirements to which they must adhere under icare's policies and procedures and applicable NSW Government policies and guidelines. Probity and Procurement education should follow the guidance provided by RSM.	Enterprise Improvement Program	Procurement Uplift Stream	3.4 Capability	Design	Jun-21	◑
					Implement	Jun-22	◕
					Embed	Jun-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	Jun-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	N/A	Probity and Procurement Review[13]	Design	TBA	○
					Implement	TBA	○
					Embed	TBA	○

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[13] The plan for this Initiative is not yet finalised. The dates for each Initiative Phase will be confirmed once the Initiative is finalised in June 2022.

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

#	Recommendation	Plan	Steam	Initiative	Phase	Due Date	Status
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	Status
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	Status
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	Status
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	◔

3.2.5. Governance – Board Effectiveness

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Status
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	Status
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	Due Date	Status
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	Status
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	Mar-22	◕
					Implement	Jun-23	◕
					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-22	○

3.2.10. Culture – Oversight by SIRA

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	Feb-23	◕
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	Feb-23	◕

3.2.11. Ministerial Oversight

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	○
				1.7 Board and Committee Actions Schedule Process	Design	Feb-22	◑
					Implement	Mar-22	◑
					Embed	Feb-23	◔

3.2.12. Realisation of Benefits

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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-22	○

3.2.13. Implementation

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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[14]	Design	TBA	◐
					Implement	TBA	◔
					Embed	TBA	◔

3.2.14. Measurement of Financial Sustainability of the NI

#	Recommendation	Plan	Stream	Initiative	Phase	Due Date	Status
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	◔

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[14] The plan for this Initiative is not yet finalised. The dates for each Initiative Phase will be confirmed once the Initiative is finalised in May 2022.