



GLOBAL DIGITAL ASSURANCE®

CASE STUDY

SOURCE-TO-PAY PROCUREMENT SYSTEM FOR DEPARTMENT OF TRANSPORT AND MAIN ROADS



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I EXECUTIVE SUMMARY

In March 2023, a Queensland State Government Organisation successfully delivered a Source-to-Pay procurement solution. The core objective was to implement an enterprise-wide Source-to-Pay solution to streamline and standardise procurement processes and provide more auditability across procurement and payment.

With increased local and global economic challenges, organisations such as this Queensland State Government Organisation are dealing with pressures to control costs, manage risks, and increase efficiency and productivity.

This new solution provides improved reporting and supplier analysis; allowing this Queensland State Government Organisation to make more informed procurement decisions to benefit SME, Indigenous and regional suppliers in alignment with the Queensland Procurement Policy.

MOREOVER, THE BENEFITS OF THIS SOLUTION ENABLE THIS QUEENSLAND STATE GOVERNMENT ORGANISATION TO:

- Rapidly compare multiple suppliers and select the one that provides the best value for money.
- Mitigate risks associated with supply chain disruptions, to ensure continuity of supply.
- Gain access to new technologies and innovations from different regions or industries.
- Comply with regulations and ethical standards.
- Promote transparency by ensuring that all purchases are made through a fair and competitive process.
- Streamline communication with suppliers.
- Eliminate the need for manual data entry.
- Provide real-time visibility into spend patterns across multiple business units, enabling better decision-making around budget allocation.
- Identify new opportunities for savings by negotiating better terms with suppliers based on better data and improved analytics.

The Project team successfully delivered the Source-to-Pay procurement solution and the platform to meet the core objective. The Project team did this while continuously adjusting to COVID-19 safe working protocols, which required the Project team to adapt its stakeholder engagement and adopt a more agile way of working.

This success is a great story for this Queensland State Government Organisation and for the involved stakeholders. Meeting the overarching requirement was compelling, which was recognised by the Project team. Effective collaboration and an agile work methodology with the technology teams, partners, business teams and relevant stakeholders enabled the Project team to design and deliver an effective and efficient solution, and capabilities.

CASE STUDY FOCUS

The focus of this case study is the independent assurance that supported this Queensland State Government Organisation to successfully implement the enterprise-wide Source-to-Pay procurement solution using SAP/Ariba technology.

To ensure the Project's quality, reliability and relevance, a team of independent assurers was engaged (at Gate 3) to provide global digital assurance best practice methods.

Key findings from the independent assurers noted that the successful outcomes achieved by the Project can be attributed to the experienced Project team, effective governance, a robust finance and procurement manual and a strong understanding of regulatory compliance requirements.

From the outset, the Project team was cognisant that delivering an enterprise-wide Source-to-Pay procurement solution would be a journey that presented challenges every step of the way. It would be a journey that would require a mix of skills and experience to navigate the hurdles and obstacles. The Project would need to grow in maturity and resilience and the team would need the capability and readiness to make course corrections as it moved through each stage.

It was also a journey that required a team that could show courage, collaboration and trust each other to work as one team, focused on the one goal of delivering a successful outcome.

Independent assurance was part of that journey and where required provided sage advice and recommendations to support the Project to achieve its objective.

The Project team embraced the independent assurance and effectively applied its findings and recommendations and where required, made amendments along the way.

As well, the independent assurance assisted the Project team to successfully navigate all its mandated gates.

2 INTRODUCTION

CLIENT PROFILE: THIS QUEENSLAND STATE GOVERNMENT ORGANISATION

This Queensland State Government Organisation is responsible for infrastructure planning, delivery and operations and state wide service delivery.

3 BACKGROUND AND CONTEXT

PROJECT OVERVIEW - SOURCE-TO-PAY PROCUREMENT SYSTEM (SAP/ARIBA)

Project Lifespan

Delivery of the Project commenced following the successful completion of Gate 3 in March 2021, which marked the beginning of the governance phase under the management of a team of independent digital assurers. During the preceding year, the Project team focused on requirements gathering, release to the industry for quotes, partner selection, and contract negotiations.

In March 2023, the downstream components for procurement were successfully delivered, with additional stages identified for the future. Moreover, the Project has identified several Business as Usual items to enhance the uptake of the downstream components, with several work packages left to assist the business teams in achieving this objective.

Project Scope

This Queensland State Government Organisation's objective was to implement an enterprise-wide Source-to-Pay solution to streamline and standardise procurement processes and provide more auditability across procurement and payment.

With improved reporting and supplier analysis, this Queensland State Government Organisation could improve its ability to make procurement decisions to benefit SME, Indigenous and regional suppliers in alignment with the Queensland Procurement Policy vision.

The Project was motivated by several key factors that drove its transformation, including:

1. To implement a cohesive digital system that manages the extensive procurement spend across this Queensland State Government Organisation transactions.
2. To improve core business processes through an innovative system.
3. To increase the efficiency of processes and reduce processing costs.
4. To enable more informed decision-making for sourcing, contracting, and measurements of key procurement metrics.
5. To align to Queensland Procurement Policy principles.
6. To extend this Queensland State Government Organisation's position as a government leader, to attract talent and business innovation.

The Project was seeking to implement a Source-to-Pay solution that would:

7. Develop and enhance the procurement function to align with this Queensland State Government Organisation and government priorities.
8. Ensure the department procures goods and services in accordance with value for money principles.
9. Streamline the Source-to-Pay processes for increased efficiency and cost-effectiveness.
10. Automate manual processes to improve staff productivity.
11. Increase the visibility of Source-to-Pay processes for buyers, procurement professionals, and suppliers.
12. Enable real-time collaboration between this Queensland State Government Organisation and its suppliers for improved communication and responsiveness.

After extensive shortlisting evaluation and approval of a pre-market business case, SAP/Ariba was selected as the preferred supplier. SAP/Ariba met all relevant criteria for this Queensland State Government Organisation's procurement needs.

IDENTIFIED STRENGTHS/CHALLENGES OF THE PROJECT

This Queensland State Government Organisation identified several strengths and challenges that could impact the Project's outcome.

Strengths:

- A robust finance and procurement manual.
- Procurement from within the organisation.
- Strong understanding of regulatory compliance requirements.
- A team with extensive knowledge of government procurement practices.
- Good working relationship with SAP/Ariba for outlining Project requirements.

Challenges:

- Bureaucratic hurdles.
- Insular perspective/bias while evaluating the Project.

4 DIGITAL ASSURANCE STRATEGY

ENSURING QUALITY, COMPLIANCE, AND RISK MITIGATION THROUGH QUALITY DIGITAL ASSURANCE

Following the selection of SAP/Ariba as the preferred supplier, this Queensland State Government Organisation recognised the need for independent assurance to support the successful implementation of the Project. This Queensland State Government Organisation engaged a team of independent assurers using Global Digital Assurance best practice methods to review the business case and perform standard gate checks as required.

DIGITAL ASSURANCE OVERVIEW

In June 2020, this Queensland State Government Organisation engaged a team of independent assurers with extensive knowledge of Global Digital Assurance best practice methods, regulatory requirements, and emerging trends. They provided a comprehensive assurance review to evaluate the organisation's digital landscape and identify potential risks and vulnerabilities.

The review encompassed a broad range of digital assets and systems, including hardware, software, networks, and data repositories. Through this review, the organisation aimed to gain a thorough understanding of its digital environment and implement appropriate measures to mitigate potential threats.

EXPECTED OUTCOMES OF THE DIGITAL ASSURANCE REVIEW

The Principal Project Advisor along with other relevant managers, recognised the criticality of implementing a robust checking mechanism to ensure that the Project provided optimal value for money. They anticipated the need for a thorough review process, which included a third-party assessment to provide an unbiased and candid evaluation of the Project's condition.

GLOBAL DIGITAL ASSURANCE BEST PRACTICE METHODS

Using Global Digital Assurance best practice methods of assurance, the assurance involved continuous monitoring, testing and validation to identify and address any issues or vulnerabilities that could pose a risk to the return on investment gained from the implementation of this Queensland State Government Organisation's SAP/Ariba procurement system.

Independent digital assurance aimed to provide a safety net to mitigate the risks involved with implementing this new technology and ensure the processes were effective to reduce the risk of downtime, reputational damage, financial loss and regulatory non-compliance.

Independent digital assurance supported the Project to achieve its business benefits, including:

- Increased cost savings: Through greater efficiency, improved supplier management, and enhanced risk management, independent assurance assisted this Queensland State Government Organisation to realise cost savings across the procurement function.
- Improved decision-making: By providing real-time and data insights, independent assurance assisted this Queensland State Government Organisation to make better-informed decisions about procurement strategy, supplier relationships, and overall business operations.
- Enhanced compliance: Independent assurance assisted this Queensland State Government Organisation to meet compliance and regulatory requirements and internal procurement policies.
- Improved data accuracy: Independent assurance assisted this Queensland State Government Organisation to reduce errors and ensure data accuracy, improving the overall quality of data used in procurement processes.
- Greater efficiency: Independent assurance assisted this Queensland State Government Organisation to automate manual processes, streamline workflows, and reduce processing times.
- Better supplier management: Independent assurance assisted this Queensland State Government Organisation to monitor supplier performance and identify opportunities to optimise supplier relationships.
- Enhanced risk management: Independent assurance assisted this Queensland State Government Organisation to identify and mitigate potential procurement risks.

"We believe assurance is essential to remain focused on the important aspects of a Project. It provides a valuable health check and gives us an additional pair of eyes to meet all Project outcomes. It also helps to give our stakeholders the confidence that the Project is structured properly while highlighting areas that may need improvement."

The Principal Project Advisor



EXAMPLES OF FINDINGS AND ACTIONABLE RECOMMENDATIONS (NOT EXHAUSTIVE), INCLUDED:

Project to ensure a Contract Management Plan is in place and agreed prior to contract signing.

Higher priority was put on the documentation of the Contract Management Plan in agreement with the Contract Management Group.

This has allowed the Project to better manage the deliverables and timeframes for the implementation partner.

Project to source the expertise of a proven and demonstrated SAP/Ariba Project Manager as a priority as the following artefacts will be very difficult to complete to a level required for delivery.

The Project was able to seek additional funding for a Contract Project Manager to manage the implementation of Ariba and Fieldglass.

These extra skills proved invaluable over the implementation portion of the Project and contributed greatly to the on-time and on-budget result of the Project.

The Project must complete level 4 business process maps.

The Project moved to include level 4 process maps for the processes that were to be altered.

This finding assisted the Project to retain essential resources to complete of the Project.

The Project must develop a product breakdown structure and associated Project register, that defines all the Project products and assigns ownership.

This finding supported the Project to include the product register within the implementation partner's contract, to ensure there was a clear allocation and understanding of responsibilities between all parties

“Help from the outside was absolutely essential for a Project of this size. Being inside the Project, we cannot always see what needs to be fixed or what potential risks may arise; engaging a professional team of digital assurance reviewers implementing best practice methods of assurance comes in very handy.”

The Principal Project Advisor

5 OUTCOMES

THE KEY BENEFITS OF THIS DIGITAL ASSURANCE REVIEW INCLUDED:

- A key mechanism for checking the Project was providing value for money.
- To provide Project Board Members with valuable insight and ongoing feedback regarding the viability of the Project.
- Assurance that the desired outcomes were on track to be achieved and highlight areas that needed improvement.
- Providing evidence that the methodologies being employed throughout the Project were effective.
- A bias-free approach to ask valid questions and consistent checks at vital points within the Project.

RESPONSE TO DIGITAL ASSURANCE REVIEWER FEEDBACK

During the independent assurance process, a series of actions were taken based on the recommendations of the assurance reviewers. This included identifying and fixing issues in order of priority.

This Queensland State Government Organisation developed a Recommendations Action Plan to address priority issues, which were subsequently reported in governance meetings. Additionally, they shared the updates with the Project Board to remain transparent and accountable and demonstrate the progress made in implementing the recommended actions.

The reviewer's recommendations were treated as a high priority. The action plan was classified as red, amber or yellow, signifying the importance of the issues to be addressed. This assisted this Queensland State Government Organisation to remain focused on the areas that needed improvement. A one-month timeline was implemented to address any suggestions from the assurance reviewers.

“The feedback provided by the reviewers was important, as their recommendations were made based on objective reasons, backed by best practice methods and extensive knowledge. The action plan developed as a result of their feedback played a pivotal role in ensuring the success of the Project.

The presence of an independent checker throughout the Project was critical to maintaining accountability and ensuring adherence to established standards, particularly for a Project of this magnitude. By implementing this process, this Queensland State Government Organisation was able to demonstrate a commitment to delivering high-quality outcomes while maintaining a strong level of accountability.”

The Principal Project Advisor

“Best Practice methods provided by Global Digital Assurance played a critical role in ensuring an impartial review of the Project’s condition while providing guidance on the areas of focus required to meet Project objectives. This process acted as a valuable cross-check, facilitating the effective execution of the Project. By adopting digital assurance, this Queensland State Government Organisation was able to ensure that all Project elements were well-monitored, leading to successful outcomes.”

The Principal Project Advisor

5 OUTCOMES

LESSONS LEARNED THROUGH DIGITAL ASSURANCE

By developing a long-standing relationship with this Queensland State Government Organisation, the team of independent digital assurance reviewers was able to gain a deep understanding of the Project and its objectives, from an objective standpoint.

Drawing on Global Digital Assurance's globally recognised best practice methods, they were able to ask valid questions that triggered actions to solidify the Project's success.

BEST PRACTICE DIGITAL ASSURANCE - GLOBAL DIGITAL ASSURANCE

Global Digital Assurance is a leading organisation that sets a global standard for assurance and provides verifiable accreditation for assurance review professionals. Their primary objective is to provide a modern, holistic, and best-practice approach to digital assurance.

Global Digital Assurance seeks to provide a recognised and comprehensive system of digital assurance reviews, to address the need for a more advanced and comprehensive system of digital assurance reviews.

Global Digital Assurance has successfully redefined the global standard for assurance. By providing verifiable accreditation for assurance review professionals, they ensure that industry professionals are equipped with the necessary skills and knowledge to navigate the ever-changing digital landscape.

"We are committed to providing best practice solutions and sit at the forefront of digital assurance, setting the benchmark for industry standards."

Global Digital Assurance

"One of the key advantages of employing a team of digital assurance reviewers is their ability to provide an independent perspective on the Project. By utilising industry best practices in digital assurance, the team can pose the right questions at the appropriate time. This approach allows the Project Management Team to remain accountable, mitigate risks, and ensure the Project's financial viability."

The Principal Project Advisor



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