

CA Technologies submission to

The National

Commission of Audit

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Executive Summary

CA Technologies is pleased to present the National Commission of Audit the following proposal for consideration. CA's Clarity Grants and Program Management solution is an industry recognised capability used in nine Australian Federal Government agencies and globally by thousands of organisations to plan and align for growth, make sound investment choices and execute them effectively.

Challenge

As the Australian Government invests billions of dollars each year in Australian innovation, the public sector increasingly struggles to manage the number, diversity and complexity of grants – now widely referred to as investments, with available personnel. Challenges include the lack of standardised policies, procedures, documentation and staff training. It is also difficult to demonstrate value for money in decision-making. Manual processes place an onerous burden on individuals throughout the entire grants management process, from selecting recipients and managing the release of funds to reporting on the grant management process, and measuring outcome.

Opportunity

During this challenging time in Australia, effective public sector grant management and program management can deliver long-term economic benefits to the country by prioritising critical areas of innovation. The public service faces an increasing burden to meet the demands of 21st century investment and program management with processes and systems designed in the last century.

CA Technologies encourages the National Commission of Audit to look at the advantages of establishing a hierarchical relationship between departments to include vision, goals, objectives, initiatives, and investments. With the Whole of Government dashboard views the government obtains a hierarchical view that can evaluate investments and track performance against the monies allocated and strategies that have been put in place, so the plans that are implemented yield the best strategic outcomes. CA Clarity provides an intuitive, interactive, dashboard-style workspace that empowers you to make better, more informed plans, initiatives, and investments to deliver promised outcomes.

CA Technologies recognises the journey to grants and program management maturity is an iterative process that requires each organisation to migrate through progressive stages. Our experience in the entire process from the essential first steps to the outcome of optimised grants management and program management will guide the departments in delivering efficient, effective and scalable processes.

Benefits

Through working with nine commonwealth agencies ranging in size from 30 to 15,000 users, CA Technologies has developed a mature and “proven” grants management automation methodology. Agencies are achieving productivity improvements of 10-20 per cent. Current process automation can leverage agency-wide or inter-agency benefits from standardisation whilst addressing the specific requirements of a particular division or project. Automation also helps to eliminate mundane tasks, avoids duplication, identifies potential fraud and provides a clear overview of the entire grants management system. This means that an agency is well positioned to invest in the right grants at the right time.

Many organisations worldwide use CA Clarity to automate strategic planning and reporting. To keep up with a faster, more complex business environment, the traditional approach to strategic planning and manual update and review methods is creating:

- A limited visibility into, and accountability for, actual results stemming from this fragmented view.
- A lack of automated tools to facilitate real-time data capture and reporting
- Siloed planning, tracking and reporting activities that isolate data and prevent it from being easily filtered, or even included, into decision-making functions

In the end, applying more time and effort to bolster ineffective manual planning becomes a serious drain. You’ll have fewer resources on hand to execute against your existing strategy, let alone drive future innovation for better strategic results.

CA Clarity can help the Australian government manage the grants within an agency and also provide the same methodology and dashboard reporting to strategic planning and programs within the Federal government creating a streamlined approach that facilitates real time data capture and reporting across agencies.

Managing more with fewer resources

Public sector agencies face unprecedented challenges in investment and portfolio management

Divisional and department heads in the public sector are committed to ensuring their agencies maintain a grants management process that is auditable, transparent in process and compliant with government standards.

The Australian Government invests billions of dollars each year in order to encourage and leverage the innovative capacity of Australian industry and individuals. This requires the public service to announce, award and administer grants in areas as diverse as agriculture, science, manufacturing and climate research.

However, public servants face an increasingly difficult problem: Despite a significant increase in the number, diversity and complexity of grants, the personnel available to manage them is remaining static, if not declining, due to efficiency pressures being placed on each organisation.

In its 2010 Implementing Better Practice Grants Administration, the Australian National Audit Office (ANAO) outlined six major stages of activity in grants administration:

1. Planning and design;
2. Selection and decision-making;
3. The making of a grant;
4. The management of funding agreements;
5. Reporting; and
6. Review and evaluation.

While the majority of public sector agencies address some of those stages effectively, they often struggle to manage the entire grant life cycle because of the high level of manual processes involved, especially in grants management and reporting. Issues faced include:

- Lack of standardised policies and procedures between and even within agencies
- Lack of standard documentation and staff training
- Lack of accountability for decision-making to demonstrate value for money.

A particular challenge for many agencies is managing the decision support function required to choose the best recipient of a grant. This stage is prone to error because of the many manual processes and the collaboration required between diverse and in some cases geographically distant teams of individuals involved in assessing grant applications.

Another challenge area involves matching the release of grant funds to project milestones. The increasingly technical nature of many projects makes this a particularly difficult area. This challenge is exacerbated by manual recording processes, where recognition of milestones often depends on individual rather than systemic monitoring.

Cumbersome and time-consuming reporting of grants management creates an onerous overhead for agencies. Automation speeds up and simplifies grants management.

CA's experience can deliver rapid and sustainable benefits

Through working with nine agencies ranging in size from 30 to 15,000 users, CA Technologies has developed a mature and "proven" methodology that delivers rapid and sustainable benefits to public sector agencies. With expertise in workflow automation, data management and investment management, CA Technologies has the intellectual capital within its people and its CA Clarity solution to address the increasing challenge of grants management for the Australian public sector.

Delivering common benefits while addressing unique agency needs

CA Technologies recognises each agency has unique needs that are often addressed by maintaining manual or custom-developed in-house systems. CA's Clarity process automation technology addresses the specific requirements of a particular division or project while also leveraging agency-wide or inter-agency benefits from standardisation.

The essence of process automation is to capture the Intellectual Property of an agency and store it within the system, rather than keeping it in the people who manage the system. As well as retaining those ideas and insights within the agency, process automation allows greater standardisation within and between agencies, more effective auditing of the grant evaluation, decision and management process and faster reporting on an agency's grants "portfolio". It also captures historic "intelligence" from a grants community within the broader solution. CA Technologies has repeatedly delivered productivity improvements of 10-20 per cent through reviewing manual systems and mapping automated solutions on to the agency's grants management solution.

Better decision making, easier management and improved grant outcomes

Efficiency is the major benefit of automating the grants management process. As well as eliminating mundane daily tasks, automation provides a clear overview of the entire grants management system. This positions an agency to invest in the right areas at the right time. Everyone, from the grant applicant to the responsible Minister, is in a position to know the current status of a specific grant management program.

Automated grants management eliminates duplication and more readily identifies potentially fraudulent activity. It also provides the flexibility, so when policy, legislation or a government changes, the agency can quickly adapt to that change without major impact to the agencies staff.

Transform Government Planning and Investment Models

In addition to managing the grants management process, the government needs to look at its ability to respond, innovate and achieve strategic goals under current market dynamics. This requires flexibility and equal attention to both near-term and long-term planning processes. In reality, it calls for a perpetual planning approach.

By employing perpetual planning, each agency can devise and work toward a three-to-five year plan, as well as incorporate strategic planning into daily activities. So in addition to allocating resources and monitoring results against your longer-term strategic plan, agencies will be able to adjust more quickly to changing demands, competitive challenges and unforeseen events that impact the agencies every day. Once the agencies have the proper tools to support this, they can employ perpetual planning to both refine government strategy and strengthen its execution.

Perpetual Planning Makes a Significant Difference

According to a recent McKinsey report, organisations that get the best results perpetually plan for organic growth—achieving 30% CAGR versus 9% CAGR for those following annual planning cycles.

New Perpetual Planning



Perpetual planning gives you a mechanism to continuously and rapidly respond to internal and external changes that impact strategy. A more successful business outcome is the result.

In a complex, government environment, agencies can't afford to invest without having real data to support decisions. Using effective perpetual planning practices and tools, you can:

- Model the impact of an investment adjustment in order to achieve an optimal portfolio mix
- Drill into KPIs to track financial trends, initiative allocations, and goal, objectives and initiative status
- Monitor investment spend against performance metrics in real time
- Automatically update financial trends to highlight variances against target, and actual plans

By doing this across agencies redundant project spend and inefficient projects can be quickly realised and modifications can be made before the project spend affects the overall portfolio. Making a successful shift to perpetual planning helps you bridge the gap between innovation and your actual ability to support related efforts. It does so by removing outdated planning cycles and practices that prevent transparency to strategic goals and what needs to be done on a daily, weekly and monthly basis to achieve them.

Through an approach that incorporates all perpetual planning best practices, agencies can:

- Better evaluate and understand the impact of technologies, resources and trends on the vision, goals and objectives
- Balance your investment portfolio with the right mix to foster innovation
- Focus on your most important initiatives— monitoring and adjusting them as needed to continually stay on track

Rapid return on investment

CA Technologies experience demonstrates that agencies can achieve a rapid return on their investment by automating the grants management process within an auditable, process driven framework that provides transparency around the decision making process of awarding public monies. A solution can be designed and deployed in several months, allowing the agency to extract rapid time to value from its investment.

Section 4:

Conclusions

CA Technologies currently supports nine agencies in the management of the grants program. CA Clarity is also used worldwide in over 1,500 companies and government agencies managing the project, program and planning efforts ensuring a consistent adoptable framework that would greatly benefit the agencies that make up the federal government.

Across the board agencies are being asked to do more with a lot less. By initiating a supportable and repeatable process CA Technologies equips public sector agencies to answer the pressing questions of how projects and funding decisions are being made, how they are performing, and if they are tied to the right overall KPI's and expected outcomes. CA Technologies has the experience and expertise to deliver a low-risk grants management automation solution that will deliver ongoing returns for each agency and for the nation as well as a program framework that would give consistency and visibility across the agencies and to the government constituents.

We would be interested in meeting with the Audit Commission to discuss how we can help deliver the proper governance and visibility across the federal government.

Section 5:

About CA Technologies

Agility Made Possible: The CA Technologies Advantage

CA Technologies (NASDAQ: CA) provides IT management solutions that help customers manage and secure complex IT environments to support agile business services. Organisations leverage CA Technologies software and SaaS solutions to accelerate innovation, transform infrastructure and secure data and identities, from the data center to the cloud. CA Technologies is committed to ensuring our customers achieve their desired outcomes and expected business value through the use of our technology. To learn more about our customer success programs, visit ca.com/customer-success. For more information about CA Technologies go to ca.com/au.

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