



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Committee of the Whole

DATE: March 19, 2024

TITLE: NextGen Project Risk Review

Action

Review and Discussion

This item is required by policy

PRESENTERS

Amy Jorgenson, Chief Audit Officer

Mike Cullen, Principal, Baker Tilly

PURPOSE

The purpose of this presentation will be to present project risk review checkpoint #11 results and recommendations.

BACKGROUND INFORMATION

Minnesota State's NextGen implementation is a large and complex system implementation project with various inherent risks that, if not managed or executed properly, can lead to potential issues resulting in unplanned delays, increased costs, and refractory stakeholders. Performing periodic independent project risk reviews allows for enhanced risk awareness and transparency amongst the various stakeholders, contributing to early detection and development of strategies to manage risks, minimizing the impact of potential issues, and increasing the likelihood of project success. Internal Audit has been providing the Board of Trustees with NextGen specific project risk review (PRR) checkpoints since June 2018.

As of February 16, 2024, Internal Audit completed the 11th NextGen PRR checkpoint as part of the fiscal year 2024 (FY24) audit plan.

To perform the NextGen Project Risk Review, Internal Audit interviewed identified key stakeholders and obtained and reviewed relevant project artifacts to assess project risks across the following categories:

- **Project governance and management** covers leadership, oversight, guidance, and decision-making over the project.
- **Organizational change management (OCM)** covers planning, communications, training, and support related to successful transition and adoption.

- **Stakeholder involvement** covers participation of key business process/control owners in definition and validation of requirements.
- **Project execution** covers the completion of all implementation activities, including operational, technical, and compliance controls.

Internal Audit concluded that the overall risk of not achieving project success is currently “Serious,” meaning current project risks are having severe adverse effects on the project schedule/timeline deadlines and scope/activity completion. This is due to noted blockers related to business process testing (e.g., payroll, payroll reconciliations), integrations (e.g., testing with external organizations), and companion projects (e.g., campus level work to complete prior to go-live). Internal Audit recommends various improvements to reduce project risks and increase the overall likelihood of project success including defining explicit activities and criteria for the remaining testing and upcoming payroll “dress rehearsal”, as well as finalizing the in-progress recommendations around sustainment, companion projects, institutional responsibilities, and the hiring of a training manager.