



FIFTH ITEM ON THE AGENDA

Information Technology Systems Fund**Introduction**

1. During its 291st (November 2004) Session, the Governing Body considered an information paper¹ on the “Integrated Resource Information System” (IRIS) that provided an update on progress since March 2004. Issues considered were the progress in building and testing of the system, including the revised timeline, improved governance, greater user involvement of and communication with ILO staff, implementation of the Strategic Management Module, training, the project budget, the decision to outsource certain technical support and other preparations for implementation and production support. The paper also provided information about build, transition and steady state costs for IRIS.
2. The Governing Body also considered GB.291/PFA/7, in which it was recommended that all remaining exchange gains on the 2000-01 surplus be allocated to the Information Technology Systems Fund to fund project IRIS. The Governing Body approved this decision.
3. This paper provides a further update on IRIS including the current status of system development and testing, transition to production, training and support and a financial summary.

System development and testing

4. The development and testing of IRIS has been completed in a series of phased releases. The first phase, release 1.0, was completed in mid-November 2004, and contained the core functionality of the system. At that time, and as planned, the project team was significantly reduced. The second phase, release 1.1, contains limited additional technical functionality required to transition the system into full operation. As part of the normal maintenance and operations, subsequent releases are planned for 2005 and beyond and will include additional functionality that was not critical to go-live, but nonetheless will continue to improve the system. A change-control process will be established to prioritize further enhancements and approve the introduction of the new releases into the production environment.

¹ GB.291/PFA/3/2.

5. During December 2004 and January 2005, the Office and IRIS conducted a comprehensive “user acceptance” of the system. Approximately 80 facilitated user-acceptance sessions were conducted with key users to verify that the system was acceptable and covered all business processes related to IRIS. During the sessions, issues were identified and agreement was reached on a course of action to prioritize them. In addition to the facilitated sessions, a separate user-acceptance test was conducted for the payroll and the interfaces to the field financial information system for external offices (FISEXT) as well as the Staff Health Insurance Fund (SHIF). At the time of writing, it appeared that all issues that would have prevented the system from transitioning into full operation would be resolved. Other lower priority issues are being planned for resolution in subsequent releases.
6. Work has continued with the hosting partner to establish the production environment. In cooperation with ITCOM (the Information Technology and Communications bureau), a high-speed connection has been established with the hosting partner in the Netherlands, where the IRIS servers and database will be housed and maintained. The production environment and network connection have been successfully “performance tested” to verify that the communications lines and servers will efficiently handle the high level of user activity which is expected when all IRIS applications are online.

Transition to production

7. The transition into full production is planned in two major phases: (1) human resources and payroll; and (2) financial and other applications. The HR and payroll parallel began on 17 January 2005 and involves running both IRIS and the existing legacy systems in parallel for two full payroll cycles (February and March) to ensure that there is a consistent output from both systems. The financial/other applications go-live will begin on 25 February 2005. The full transition period concludes at the end of March 2005 at which time all planned IRIS applications will have been implemented in headquarters. As announced previously, the roll-out to the field will occur after stabilization of the system at headquarters, but interfaces have been built between IRIS and legacy field systems.
8. As IRIS transitions into full operation, data has been converted from the existing legacy systems. During the HR and payroll parallel there will be a “double-entry” of data into both the legacy systems and IRIS. During the financial go-live, there is a transition/blackout period of three to four weeks when no production systems (neither legacy systems nor IRIS) will be officially available. In order for the ILO to be able to function during this time, special temporary procedures will be in place and have been communicated to staff in order to process essential transactions, while non-critical processing activities will be held until IRIS is available. Following the conclusion of the go-live period, provisions will be made for processing all pending work that has accumulated during the transition/blackout period.
9. During and after the go-live period, data contained in the legacy systems will be archived and the legacy systems “decommissioned”.

Training and support

10. To help prepare the Office for IRIS, an intensive training programme began in early February 2005. IRIS has worked with designated Change Leaders throughout the organization to identify and map specific system roles to staff members and this information has been used to determine training requirements. So far, more than 500 staff members have been identified as requiring at least some basic training prior to

implementation. In addition, a special training course on IRIS for managers will be given. A training schedule has been prepared and communicated to staff members. Efforts have been made to minimize the overall time for training for each user, understanding that there is a balance between the need for training and other obligations of officials.

11. The training has been developed in a modular form with the majority of modules taking no more than three hours. Over 65 modules, each targeted for the specific training needs of different groups of officials, have been developed and will be available on the Intranet.
12. An “end-user support” capability is being prepared to assist users as soon as IRIS becomes operational. The end-user support group will also be instrumental in the commitment to continual business improvements throughout 2005 and beyond.
13. As reported to the Governing Body in November, considerable efforts have been made both to reduce the number of consultants and to maximize the use of ILO staff to ensure the necessary knowledge transfer to the Office and to reduce costs. Since March 2004, until the time of writing this document, the size of the project team has been reduced from 112 to 64, with the number of consultants decreasing from 82 to 38. Consultants from the primary contractor have now been reduced to six people. Importantly, many other ILO staff have been actively involved in testing, user acceptance, business decision-making and training, thus furthering the knowledge transfer to the ILO.
14. It is anticipated that the structure of IRIS support after implementation will be made up almost entirely of ILO staff, with the exception of limited specialized technical support provided through a framework agreement and the outsourcing partner, as described in GB.291/PFA/3/2.
15. Efforts to identify additional savings are ongoing. The November 2004 paper,² discussed initial efforts to realize both staff and non-staff savings through the implementation of IRIS. Once the system has been fully implemented and stabilized, more streamlining and improvements of business processes are planned, with an aim to fully exploit the benefits that IRIS can bring to the ILO.

Summary of budget and costs

16. As requested by a number of Governing Body members in November 2004, the table below summarizes both the resources allocated to the project as well as the expenditure incurred and forecast for the current biennium. The financial summary³ is divided into two main components – the core development and build of the system through mid-November 2004 and the transition and implementation of the system from mid-November through the end of 2005. As advised during the November 2004 Governing Body, the operating costs of IRIS for 2006-07 and beyond will be incorporated in the regular budget of the Office.

² GB.291/PFA/3/2.

³ Based on data available as of 15 Feb. 2005.

Financial summary

IRIS design and development

Sources of funds		
Information Technology Systems Fund		
Transfer from 1998-99 surplus	25 000 000	
Transfer from 2000-01 surplus	3 400 000	
Interest and exchange rate gains	11 568 191	
<i>Total sources</i>		<i>39 968 191</i>
Expenditure		
Staff costs	10 260 962	
Technical services	24 354 478	
IT equipment	423 345	
Software licences and maintenance	4 255 850	
Other expenses (including travel and back-up telecoms)	570 510	
<i>Total expenditure</i>		<i>39 865 145</i>
<i>Available balance</i>		<i>103 046</i>

IRIS transition and operating costs – mid-November 2004 to December 2005

Sources of funds		
Exchange gains on 2000-01 surplus	10 400 000	
Immediate savings realizable and staff redeployment	1 500 000	
Balance from design and development	103 046	
<i>Total sources</i>		<i>12 003 046</i>
Projected expenditure		
Staff costs	4 842 650	
Technical services	4 499 735	
Infrastructure outsourcing	1 375 885	
Software licences and maintenance	856 730	
Other expenses (including equipment and back-up telecoms)	325 000	
<i>Total projected expenditure</i>		<i>11 900 000</i>

Conclusion

17. The implementation of IRIS will provide the ILO with more effective and efficient processes, as well as timely, accurate and useful information. There will, no doubt, be some difficulties during the transition phase, but the project and the Office are working together to minimize these. For many ILO staff, the most mundane tasks will be eliminated, allowing them to engage in higher skilled tasks. For managers, constituents and donors there will be more timely and accurate information, allowing for better strategic use of resources. As the Office moves forward, the next challenge will be to fully utilize the potential of IRIS.

Geneva, 18 February 2005.

Submitted for information.