



STATEMENT OF INTENT



2018–2022



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Education Payroll Limited
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This Statement of Intent (SOI) is submitted by the Board of Education Payroll Limited (EPL) which is accountable to EPL's two shareholding Ministers, the Ministers of Finance and Education, as set out in the Crown Entities Act 2004. This SOI sets out the strategic intentions of EPL for the period 1 July 2018 to 30 June 2022, to meet its statutory requirements.

2018–2022

EDUCATION PAYROLL LIMITED

STATEMENT OF INTENT

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CHAIR'S FOREWORD

This Statement of Intent sets out our strategic intentions for the next four years.

I am pleased to present the 2018-2022 Statement of Intent for Education Payroll Limited (EPL). The SOI outlines EPL's business strategy as a high performing service provider helping schools deliver quality education for New Zealand.

The Schools' Payroll is running well. EPL has consistently met all its contractual service standards over the last few years and is achieving high customer satisfaction ratings from users, significantly improved from two years ago.

EPL has achieved these results through its School Account Teams which have dedicated responsibility for the payroll performance of clusters of schools. This customer-centric model came from using the *Better Every Day* continuous improvement approach, and has proved highly successful in terms of increased efficiency and quality of service. *Better Every Day* has become EPL's systematic way of improving pay flow, where our people have actively engaged with schools and the sector on service design, in the development of the payroll operation.

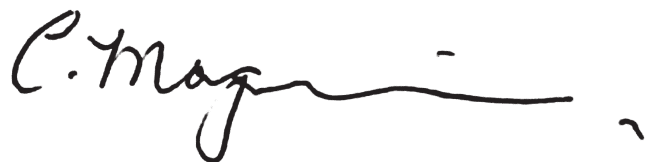
The organisation has worked hard to achieve the turnaround in performance, and it has given the Government confidence to invest in the Detailed Business Case for digital enhancement of payroll services, to drive further gains. The Education Payroll Development Programme (EPDP) will roll out over the next two years, enabling schools to benefit from streamlined payroll administration and providing a sustainable, compliant and cost-effective payroll system for the next decade.

EPL is committed to meeting the requirements of its shareholding Ministers by continuing to deliver a reliable, accurate and efficient payroll service to the nation's schools. The organisation is also expected to contribute more broadly, through working with the Ministry and other education agencies to achieve the Government's policy objectives for education. EPL feels able to contribute its service design, processing, data management and customer capabilities should this be of value to Ministers and the Ministry of Education.

This SOI sets out a picture of the results EPL aims to achieve and how progress will be measured over the next four years. 🇳🇿



Murray Jack
Chair
Education Payroll Limited



Cathy Magiannis
Chair of Audit and Risk Committee
Education Payroll Limited

2018-2022

EPL'S STRATEGIC FRAMEWORK

OUR VISION

A world class organisation recognised for customer service and performance excellence

OUR PURPOSE

To help schools deliver quality education for New Zealand

OUR GOALS

Better Every Day Continuous Improvement

delivering a reliable, accurate and efficient payroll service to the nation's schools

Successful Delivery of EPDP and Expected Benefits

improving the efficiency of the schools' payroll, while maintaining or increasing service levels

Adding Value in the Education Sector

working with MoE and others to achieve the Government's policy objectives for education

OUR SUCCESS

Schools are confident about their payroll and value our services, helping them to concentrate on education outcomes

Our online services reduce administrative effort in schools, increase EPL's delivery efficiency and allow us to put focus on innovation and business growth

We make a recognised contribution to effective teaching and productive administration in schools, through our services and collaboration across the sector

OUR PEOPLE

We work as a customer-focused, learning organisation and help staff develop their skills

OUR VALUES

Make things easier

for all our customers and colleagues

Improve through understanding

use evidence to find solutions for changing needs

Learn through doing

try things out, be practical and innovative

Work as a team

bring all our strengths together to make things happen

Treat everyone with respect

value and trust each other, to build a great working spirit

OUR PURPOSE

EPL's purpose is: To help schools deliver quality education for New Zealand

We make sure that teachers and support staff in NZ state schools are paid the right amount every fortnight. That's around 100,000 people in 2,500 schools – paid a total of \$4.6 billion each year.

We are running the largest payroll in New Zealand and one of the top 10 in Australasia. Our work is complicated by handling 1,500 unique rates of pay arising from 14 collective agreements, which means 10,000 possible permutations each pay run.

EPL manages this complexity so that schools can focus on teaching and enabling learning. Our aim is to make payroll tasks easier for school administrators, and to provide assurance for teachers that their pay will be correct and on time every payday.

We are here to support the productivity and effectiveness of the education sector. 🇳🇿



OUR ENVIRONMENT

Education reforms will bring new challenges and opportunities for our business

Potential Education policy changes have been signalled for consideration over the next period.

The Ministry of Education (MoE), working with other sector agencies and stakeholders, already has a number of strategies underway that have implications for EPL's services. These include:

- Implementing Communities of Learning Kāhui Ako to enable teachers in schools and kura to share experience and resources, to achieve better outcomes for students in their area
- Reviewing the Education Act 1989 to cater for varied pathways through the education system and different ways to teach and learn, particularly through fast-changing technology
- Enabling digitally empowered education to prepare all students for the future world working to the cross-sector Education System Digital Strategy
- Updating the funding systems for early learning and schooling, including staffing
- Providing more assistance for learning support to strengthen inclusion of children with special needs

As an organisation that is directly involved with schools, any changes in their structure, operating methods and workforce management will necessarily require EPL to show business flexibility in response to these developments.

Our ability to sustain high levels of delivery performance will be tested by new approaches to school administration and potential changes

to provisions for teachers that, depending on the outcome, could bring additional complexity to the payroll. We recognise that flexibility of educational delivery could be important to enable all young New Zealanders to learn and achieve, so we will work hard to prepare for and accommodate such changes.

We also need to stay aligned with progress in digital technologies and strategies for connectivity in the education sector, and more broadly across government. As an organisation using digital services as an enabler and driver of business success, EPL must respond to technological changes in order to remain relevant in terms of quality and cost of service.

Educational reforms may present further prospects for EPL to apply its capabilities in the wider sector.

Working with the Ministry of Education in this environment may create additional work streams in the areas of schools workforce data, providing workforce insights for the sector; and any other sector support work that aligns with EPL's core purpose and is agreed with the Ministry.

We will ensure we are well placed to leverage our skills in programme management, service design, customer relations and workforce data management to capitalise on new business opportunities. 




WHO WE ARE

A business operation supporting New Zealand's schools.

EPL is a Crown company, founded in 2014 to provide school payroll services. Ownership is held equally between two Shareholding Ministers, the Ministers of Finance and Education, with governance by a Crown-appointed Board of Directors.

EPL provides payroll services for primary, secondary and area schools that support effective delivery of education for young New Zealanders. It is expected to be responsive to new requirements and changes in the education system.

As a commercial entity it must operate in a financially prudent and sustainable way, seeking efficiencies and improvements in how it delivers payroll services.

EPL's specialist payroll staff operate through a customer-centric model, where School Account Teams have dedicated responsibility for groups of schools. Operations are supported by a technology group and a small corporate office. 

OUR VALUES

EPL's Values underpin all we do as an organisation.

Make things easier

for all our customers and colleagues

Improve through understanding

use evidence to find solutions for changing needs

Learn through doing

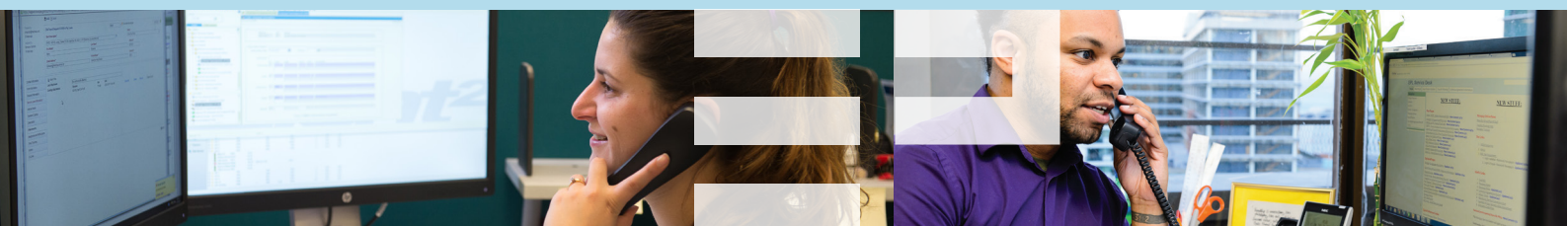
try things out, be practical and innovative

Work as a team

bring all our strengths together to make things happen

Treat everyone with respect

value and trust each other, to build a great working spirit



WHAT WE DO


EPL provides reliable, accurate and efficient school payroll services for Government

Under our Services Agreement with the Ministry of Education (MoE) we fulfil a range of payroll and information management functions, working closely with school payroll administrators and principals across the country.

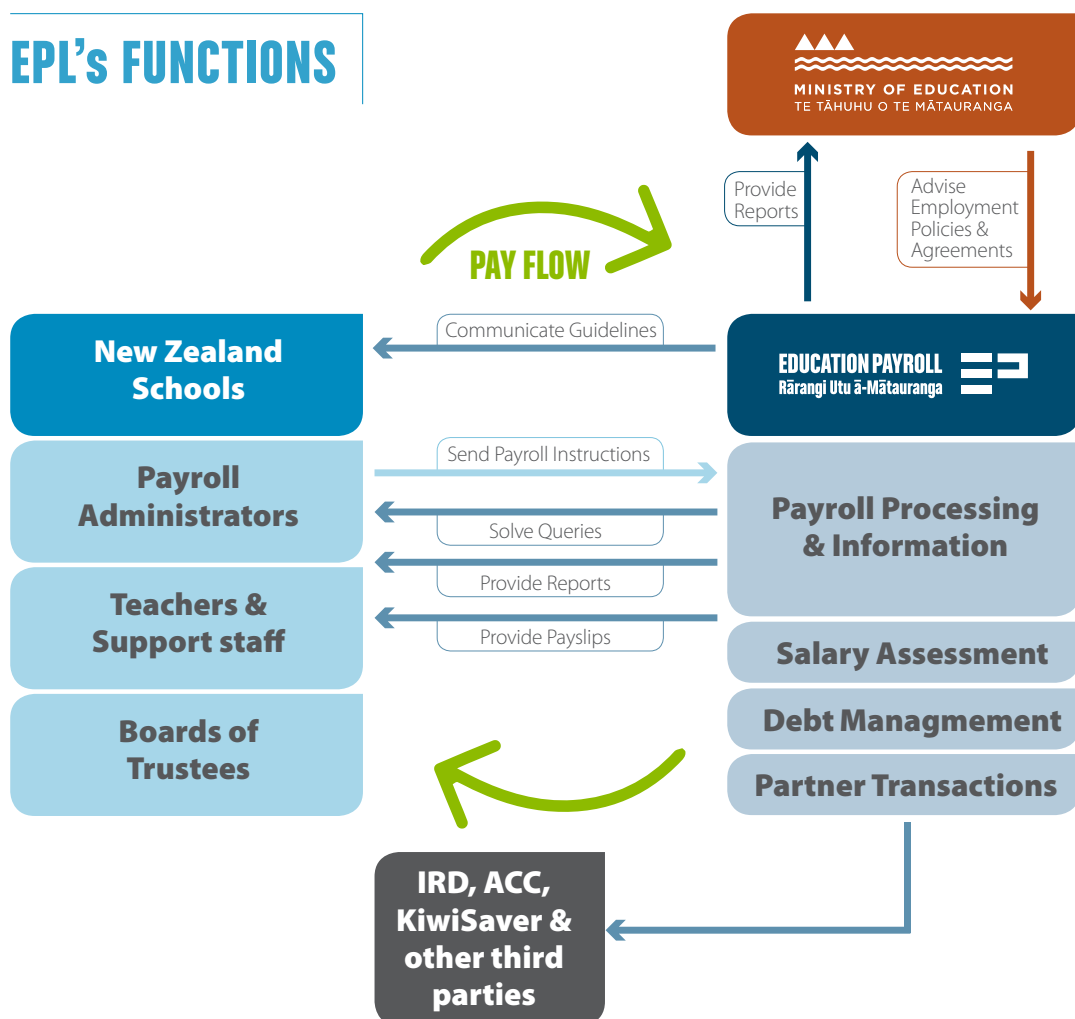
We make sure that school payroll information and entitlements are accurately recorded, school staff are paid correctly and on time, and relevant payroll information is accessible to schools and MoE.

The schools payroll is not a standard payroll and EPL provides additional services to support school Boards of Trustees in meeting their employer responsibilities.

Our further services include:

- assurance and controls
- salary assessment
- overpayment debt recovery
- advisory services
- sector communications
- payroll reporting
- administering third party payments (e.g. ACC, KiwiSaver and student loans). 

EPL's FUNCTIONS



HOW WE WORK

SCHOOL ACCOUNT TEAMS

Since late 2016 EPL has operated a customer-centred service model – School Account Teams (SAT). Each team provides end to end payroll advisory services that meet the operational demands that their schools have, in order to deliver the payroll accurately and on time.

Payroll Advisers are trained to have a holistic understanding of the payroll system and advanced technical skills across a wide range of transactions. They draw on an extensive knowledge base of employment provisions. Each adviser supports a cluster of schools as their clients, interacting with school payroll administrators over the phone to provide advice and resolve issues.

BETTER EVERY DAY

Our way of working came from adopting the State Services Commission's *Better Every Day* approach to improve EPL's service delivery to schools, our ultimate customers, while increasing our efficiency and enhancing staff engagement and capability.

As a result of this process, we re-organised EPL to support effective flow of the payroll and focus on the customer.

We keep following this continuous improvement methodology to drive changes in our operations based on the experiences of our customers. *Better Every Day* means constantly seeking simplification to minimise exceptions and improve flow, and actively working with users to reduce failure demand and get things right first time.

WITH OUR STAKEHOLDERS

In redesigning our service delivery, we worked closely with sector representatives and a range of schools to understand their needs, pain points, and the improvements that would make the biggest difference for them.

Positive working relationships have grown between EPL staff and school payroll administrators – both enjoying the personal connection and dedicated service intrinsic to the SAT model. And we continue to meet regularly with sector leaders to share information and insights on further opportunities for improvement.


SUSTAINING OUR SUCCESS

Establishing our new way of working using the *Better Every Day* process has been a real success story.

The following illustration shows our journey and the results for our customers.

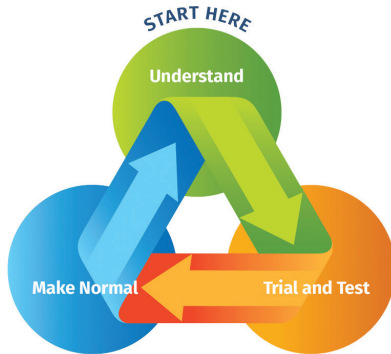
There have been efficiency gains in schools through less errors and rework and a substantial increase in their satisfaction with our service, measured through quarterly surveys. Our staff capability and commitment are also notably higher.

Our school account management model is now tried and tested and we have built a solid platform of robust payroll delivery and strong customer service.

We are looking to maintain these results and enhance our performance further through digital development of our payroll system. And we will stay close to our customers and stakeholders to make sure we keep adding value for the education sector. 

BETTER EVERY DAY – MOVING TO A CUSTOMER CENTRED COMPANY

Better Every Day



Getting everyone to do it

- Our leaders were thoroughly immersed and involved in the change as “early adopters”
- As leadership capability grew they were able to model **Better Every Day** behaviour for staff
- Selected staff were trained as **Better Every Day** champions
- Cascade team meetings were introduced.



We listened to schools

- We visited schools, observed our call centre staff and collected data
- We mapped individual transactions between schools and Education Payroll
- The majority of our interactions with schools were not adding value
- We identified a lack of focus on school administrators’ needs.

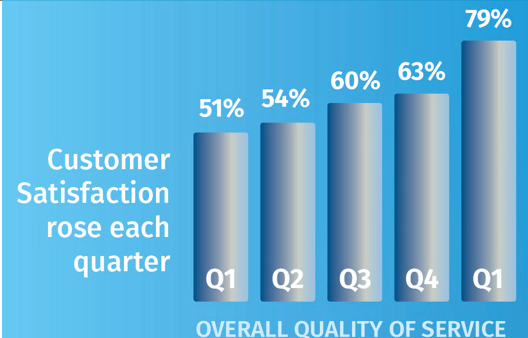


Results



We learned from our findings that...

- A school centered approach would deliver better results
- We tested having a dedicated Payroll Advisor for each school
- We piloted it with 100 schools and none of them wanted to go back to the old way of working.



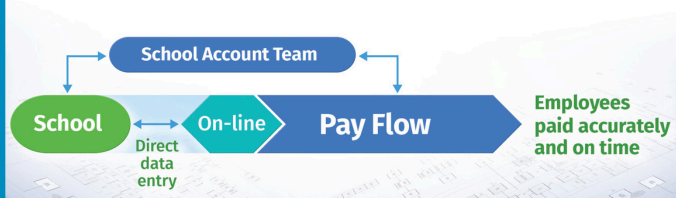
We built the capability of our staff

- We trained staff for a wide range of transactions
- We adopted the “Toyota approach” upskilling our staff in months instead of years
- We tailored training to meet customer demand
- Training took place on the job, by the Team Leader
- Our Payroll Advisors now provide the right advice first time
- As a result, school staff capability increases.



We made the new way of working normal

- We streamlined processes and the organisational structure
- We gave the remaining 2,400 schools their own payroll advisor
- Our technical and corporate teams focussed on supporting pay flow
- Tracking results allowed us to know the changes are working.



OUR VISION

Looking forward over the duration of this Statement of Intent and beyond, our vision is to be:

**A world class organisation
recognised for customer service
and performance excellence**

There are a range of uncertainties in EPL's operating environment which could have a fundamental impact on EPL's business.

In these circumstances, our strategy is to make our services irresistible to schools and look for further areas to add value in the education sector and contribute to education reform, over the long-term and subject to Ministry agreement.

We will keep providing excellent service in our core business, strengthening our way of working through customer-centric teams and continuous improvement processes. We will stay close to our customers, meeting their changing needs and resolving issues in a timely and practical way, so they trust us to keep delivering high quality payroll performance.

Over the next two years we will be implementing major technology enhancements to our payroll system. Our Education Payroll Development Programme (EPDP) will deliver intuitive online

services and smarter workflows for schools, with considerable productivity benefits.

The features of our new digital payroll service, added to our people and process strengths, will broaden the appeal of our service offering. Our forte will be helping customers realise efficiency and connectivity gains in their administration, so they can focus more on their core business.

We will keep in step with the developments in government thinking and sector reform, and shape our services to be in a strong position to add value for the future as well as today.

Looking forward, we need to develop our reputation to endorse our underlying credentials.

We will set our sights on renowned service organisations to compare ourselves with, and learn from. In demonstrating our performance, the size of our schools' payroll operation means that we have to look beyond New Zealand to find benchmarks of a comparable scale.


We will relaunch our EPL online services, representing our success as an organisation delivering world-class service. 🇳🇿



OUR GOALS

To move towards our vision, EPL has defined three broad goals for the organisation over the SOI period, along with descriptors of what success will look like.

Our goals are guided by the expectations of our shareholding Ministers, which are imperatives for EPL.

These not only relate to our payroll service performance, but also the contribution we can make to wider education policy aims, and the requirement to be a financially sustainable company, which delivers value for money for the Crown. 

OUR GOALS

Better Every Day Continuous Improvement

delivering a reliable, accurate and efficient payroll service to the nation's schools

Successful Delivery of EPDP and Expected Benefits

improving the efficiency of the schools' payroll, while maintaining or increasing service levels

Adding Value in the Education Sector

working with MoE and others to achieve the Government's policy objectives for education

OUR SUCCESS

Schools are confident about their payroll and value our services, helping them to concentrate on education outcomes

Our online services reduce administrative effort in schools, increase EPL's delivery efficiency and allow us to put focus on innovation and business growth

We make a recognised contribution to effective teaching and productive administration in schools, through our services and collaboration across the sector

GOAL: BETTER EVERY DAY CONTINUOUS IMPROVEMENT

We have remodelled our operations to increase service to schools and reduce errors and effort. The Schools' Payroll is running well now, and we will maintain this reliable service.

EPL's core business is to manage end-to-end school payroll services so that school staff across the country are paid on time and schools are well supported to meet their payroll responsibilities.

For the last two years we have delivered the pay accurately and on time each pay period. We have also achieved all KPIs for the challenging End of Year/Start of Year period when 40% of pay records need changes.

The success of our School Account Team model has been shown through reduced error rates and waste, and significant improvement in customer satisfaction. Over 2016/17 we achieved an average rating of 70% of respondents being satisfied with EPL's overall

quality of service, and this is trending higher for the current year. For 2018/19 we are raising the base target to 75% from the 60% we set initially.

Better Every Day has become EPL's systematic approach to improving things, where everyone participates. We have embedded it across the organisation, so we can identify and realise further gains in the efficiency of our payroll services and our support for schools.

Better Every Day will also help us adapt to changes in the education system.

Our ability to sustain high levels of delivery performance will be tested by the additional complexity of new approaches to school administration and potential changes to provisions for teachers, such as those to enable Communities of Learning Kāhui Ako. Flexibility of educational delivery is important to enable all young New Zealanders to learn and achieve, so we will work hard to support and accommodate such changes and keep delivering to high standards. 🇳🇿

ASSESSING OUR PERFORMANCE

The following measures will be reported against in the annual report, and to shareholding Ministers and The Treasury. EPL will also be working with MoE and the Treasury to develop an Education Payroll Service Performance Measurement Framework, and EPL's measures reported in the SPE will be refreshed accordingly.

PERFORMANCE OUTCOME	MEASURE	2016/17 BASELINE	TARGET	BY (YEAR)
EPL service delivery enables productivity gains and cost benefits for education sector	Cost of schools payroll service per employee paid	\$262	\$230	From 2021/22
	Reduction of school effort on payroll administration – average hours per pay period	6 hours	4.2 hours (>25% Reduction)	From 2021/22
EPL consistently achieves high customer satisfaction demonstrating confidence in our service	Achievement of MoE Services Agreement KPIs	All KPIs met	All KPIs met	Ongoing
	Survey of school administrators – overall satisfaction rating (running 12 month average)	70%	75%	Ongoing
	School employee satisfaction	survey process to be considered		
EPL remains a financially sustainable company	Delivering Services within contracted revenue, deliver benefits from EPDP, and make all loan repayments.	Achieved	Achieved	Ongoing
EPL staff are committed and capable to meet business needs	Staff engagement survey – overall engagement "grand mean"	3.87 (48th percentile)	48-50th percentile 60th percentile	2018/19 survey(s) 2020 survey
	SAT capability matrix – % staff mix untrained/learning/competent/expert	2/58/31/9	10/40/40/10	From 2019/20

GOAL: SUCCESSFUL DELIVERY OF EPDP AND EXPECTED BENEFITS

We are enhancing our technology so payroll operations are smarter and more resilient. Our Education Payroll Development Programme (EPDP) will enable schools to be capable and confident users of new online services, making payroll tasks easier and taking less time.

EPL continues to achieve better standards of accuracy and efficiency through continuously improving the existing payroll service. However major advances will be limited by the age and restricted online functionality of the current technology platform.

The Detailed Business Case for the digital strategy for the Schools' Payroll was approved in late 2016 and the EPDP has been established to implement a fully on-line service by 2020. This investment will provide a sustainable, compliant and cost-effective payroll system for the next decade.

Technology will support a better customer experience and more efficient handling of pay instructions via the development of a new digital

user interface. As we grow the capability of our customers to use this facility there will be less failure demand and disruption to payroll flow.


Over the next two years we will be working closely with schools to implement the new features, using a piloted, incremental and well-supported change approach.

We are applying the AGILE methodology which involves user-centred design, testing and feedback processes and staged implementation, to build familiarity and assurance.

When the new user interface is fully up and running, it is anticipated that school administration effort will reduce by around 25%. EPL staff will still provide expert support, but there will be operational efficiencies for us too. These will include more streamlined handling of payroll instructions, increasing system validation and more routine transactions requiring no manual intervention.

Successful implementation of EPDP will enable realisation of forecast financial benefits for the Government. Our Ministers are charging us with achieving these whilst maintaining reliable delivery of the schools payroll service as the programme is put into effect. We will make sure that school administrators and principals can stay confident in our services and support, as we introduce the system features that will simplify payroll tasks.

ASSESSING OUR PERFORMANCE

Milestones will be set for achievement of the key stages of EPDP implementation. Successful delivery of EPDP will be determined by achievement of the KPIs for its investment objectives below. 

EPDP INVESTMENT OBJECTIVES	MEASURE	TARGET	BY (YEAR)
Improved timeliness and accuracy	% of employees paid correctly each pay period % of employees paid on time	99.98% 100%	2020/21 ongoing
Reduced school effort	School satisfaction with payroll effort (UMR survey): % schools satisfied/average hours on payroll per pay period (baseline 40%/6 hours)	60%/5.5 hours 65%/5 hours 70%/4.2 hours	2019/20 2020/21 2021/22
Improved availability of payroll data	Third party satisfaction with payroll data – <i>assessed through survey to be established</i>	60% 65%	2020/21 2021/22
Schools payroll is sustainable	The number of future proofing or sustainability related issues identified as "high" priority or above in the annual audit	Nil issues	From 2018/19

The KPIs for Improved reputation and Improved cost performance investment objectives will be used to assess achievement of EPL's longer term performance outcomes

GOAL: ADDING VALUE IN THE EDUCATION SECTOR

We will collaborate across the sector to contribute to the Education Portfolio work programme, and help agencies be as productive as possible through our high-performing services and system developments.

Our shareholding Ministers expect that we will work with MoE and other agencies as part of an integrated approach to achieve the Government's policy objectives in the education sector.

We will ensure that we stay abreast of developments in policy thinking, review processes and stakeholder requirements so we are in a position to support MoE and the other agencies with the strengths we can offer. As a trusted adviser on workforce data, customer service and programme management, EPL sees opportunities to leverage its skills and experience to achieve cost efficiencies and other benefits in the wider sector, contingent on sector and customer needs.

We are aiming to align EPL developments with the Education Sector Digital Strategy, enabling greater connectivity and effectiveness in the education system. As an example, EPL is working with the Education Council regarding sharing of data across education agencies. There are also opportunities for Communities of Learning Kāhui Ako to support administration hubs for their schools in the future.

We could assist MoE through provision of additional services, where this aligns with EPL's core mission and company constitution. This may include addressing their requirements for the Holidays Act and helping them in their work to simplify collective agreements, based on our extensive knowledge of education sector employment provisions. We could also make greater use of our data about the sector to provide additional insights in relation to the schools' workforce, in conjunction with The Ministry.


Our relationship with MoE is key in realising opportunities for a broader role in supporting the education sector. How well we work on MoE's behalf in providing effective payroll services for schools will strongly influence their confidence in us to make a wider contribution. MoE has a lead role in education change and it will be important to have regular interaction across their organisation to be tuned in to the developments and issues that are front of mind for them.

We will seek to enhance the quality and breadth of our interactions with MoE, and particularly engage in more strategic discussions on sector developments and potential opportunities for EPL's services.

EPL will also keep participating in sector forums with lead organisations for principals, teachers, and Boards of Trustees, to factor their ideas and issues into our planning.

ASSESSING OUR PERFORMANCE

In our Quarterly Reports to the Treasury we will include information on collaborative projects that EPL has worked on with particular education sector agencies, and cross-sector programmes that we are participating in. This will provide evidence of how we are supporting sector developments.

Additionally we plan to institute an annual survey of MoE and other education sector agencies to obtain feedback on the extent and quality of our contribution, giving some measure of the value we are adding to their work and objectives. 

OUR ORGANISATION

We work as a customer-focused, learning organisation and help staff develop their skills.

ENGAGING AND DEVELOPING OUR PEOPLE

EPL continues to steadily build a working environment where people can learn and grow, and are positively engaged in their jobs and their contribution to the organisation. The latest staff engagement survey shows a significant increase in staff who are actively engaged, taking us from the 9th to the 48th percentile of companies in the Gallup survey.

We can still do better though and will continue to provide facilities and programmes for staff that improve communication, recognition and opportunity. As well as our intranet, staff newsletter and team briefing/feedback channels we have a monthly All Staff Meeting to share information about EPL's progress, celebrate successes and present Values Awards to staff who have made special contributions.

We see our people as our main asset, making the real difference that lifts our performance. Our staff are expert advisers – because of their ability to assimilate a detailed knowledge base, their influential relationship skills, and their drive and ability to solve problems for the customer.

We have a strong team culture, and leaders who coach and empower their colleagues to keep making the payroll flow better. Twice yearly, all managers and team leaders participate in a Leaders' Forum to work together on developing the company strategy and operational initiatives.

Collectively we have become adept at process improvement and understood how to achieve effective change through our *Better Every Day*

approach. We've built competence by involving our staff in identifying customer needs and finding practical solutions.

These capabilities are important for many business operations and they open up opportunities for EPL to add value in the education sector. We will continue to invest in engaging and developing our people so we can more readily adapt to changing needs and prospects for our services.

FLEXIBLE RESOURCING

We will plan for our workforce capacity to match resourcing needs, as our business develops. This will include looking at ways our employment arrangements can provide greater flexibility for individuals and the organisation, particularly as we move into an environment of reform in the education sector, with unclear implications for EPL's operations at this stage.

Owing to the highly specialised nature of the Schools' Payroll we mainly use on-the-job training to enable our staff to become competent as Payroll Advisers. We can recruit from a variety of sources, looking for people with numeracy, customer relations and communication skills, and provide further training accordingly, whether recruits are school leavers or have previous payroll or other processing experience. We have a steady level of attrition, with many of our younger staff leaving to pursue further education or travel opportunities after a period of valuable work experience with us.

For those who stay with EPL's payroll teams for longer periods, career paths exist to undertake specialist functions, work on process



improvements or provide coaching to others, as well as team leader opportunities.

In our Technology group we will seek an optimal balance of staff and contractors to resource new developments and sustain our infrastructure, enabling cost effectiveness and protection against single person failure.

HEALTH, SAFETY AND WELLNESS


EPL is committed to ensuring the health, safety and wellness (HSW) of its people. Our Health and Safety Committee meets regularly and encourages active participation from all employees in maintaining a safe and supportive environment.

We communicate health and safety tips to staff on a regular basis, as well as having a full suite of policies and procedures in place. Health and Safety performance is monitored by leaders and reported to the EPL Board.

HSW programmes include access to Employee Assistance Programme (EAP) services, work station assessments, and provisions to prevent harassment and bullying.

EQUAL EMPLOYMENT OPPORTUNITY

EPL is committed to being a good employer, providing an environment where employees feel valued and are respected, where difference is celebrated and diversity encouraged. We appreciate having staff from a variety of cultural backgrounds as this helps in our interactions with schools in different communities across the country.

Our leaders are at the heart of making an inclusive workplace culture a reality. To support them we have put in place policies, procedures and guidelines to assist in recruiting, on-boarding and developing staff. 



TECHNOLOGY INFRASTRUCTURE

Smart and robust technology underpins our core business processes and is a key enabler of the services we provide to schools.

EPL ensures its core ICT systems are stable, supportable, secure and sustainable for the long term. Our focus is on optimising the life, effectiveness and value of technology investments.

There has been significant systems improvement over the last few years, with an emphasis on simplification, reliability and risk reduction. We have a stable environment for our major application and database components, and have business continuity coverage through a primary production centre in Wellington and secondary in Auckland.

We continue to grow the maturity of our process controls, security capability and recoverability measures.

The IT Systems and Infrastructure Blueprint details the target state for EPL's systems architecture over the next few years. The implementation of technology enhancements through the Education Payroll Development Programme (EPDP) will play a major part in realising the target state for our ICT, aligned with the Education Sector Digital Strategy.

EPDP has a better customer experience at its heart, delivered through a digital user interface, with supporting application architecture and systems integration. Alongside these developments, there is also an Infrastructure workstream which will determine a sustainable investment plan for the new technology platform, to deliver value and manage risk through the ongoing infrastructure life cycle. ■■

FINANCIAL SUSTAINABILITY

Maturing financial management to ensure a healthy position as a long-term Crown company.

Currently EPL has a single revenue source – the fees paid by MoE for the schools' payroll and additional processing and analysis services. This has constrained EPL's ability to develop its business for further benefit to the education sector.

The Government supported EPL's 10 year financial plan to implement the Education Payroll Development Programme (EPDP) and place the organisation's finances on a more sustainable basis for the long term. The plan provides for increased payroll fees from MoE to fund execution of EPDP, which is expected to deliver efficiency gains of the same order.

Shareholding Ministers approved EPL entering into loan-based funding from the Crown to enable EPL to implement EPDP before full benefits realisation from the programme, expected over the latter part of the 10 years.

EPL has planning and budgeting processes in place to inform prudent financial management while enabling excellent payroll services to schools. We will remain closely engaged with The Treasury in monitoring the implementation of EPDP against the financial projections in the Detailed Business Case.

Once liabilities are discharged, small annual surpluses are forecast for EPL. These will provide us with capacity to develop the payroll service through reinvestment in further system enhancements, infrastructure and people capability, as well as consider new opportunities to add value in the education sector. A small financial reserve against adverse changes in the business environment could also be funded. ■■

MANAGING RISK

Risk management means doing all we can to prevent things impeding our purpose


EPL identifies and manages all material risks, both financial and non-financial, across strategic, operational and project environments.

An enterprise-wide risk management framework is in place, based on ISO 3001, and an Assurance and Controls function conducts internal reviews and identifies strategies for risk reduction.

EPL's Senior Leadership Team regularly reviews and evaluates strategic and emerging risks and ensures that the organisation is taking appropriate actions to mitigate these. Risks are also reported to MoE through the Payroll Executive Board.

The Audit and Risk Committee, chaired by Board member Cathy Maggianis, monitors key risks and follows up on audit issues.

EPL has reduced its risk profile by addressing infrastructure risk around its people, data centre, hardware and operating platforms, as well as security and privacy provisions.

We will continue to be diligent in our risk management processes, to safeguard successful delivery of our core payroll services to schools and EPDP implementation. We will keep building EPL's risk management capability and assurance across all business and organisational domains. 



Incorporated in 2014 under the Companies Act 1993, EPL is a Crown-owned company, listed on Schedule 4A of the Public Finance Act 1989 and subject to the Crown Entities Act 2004, the Official Information Act 1982, the Ombudsmen Act 1975 and the Public Finance Act 1989.

EDUCATION PAYROLL
Rārangi Utu ā-Mātauranga



2018