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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | *KA 'OIHANA LOIHELU A LAWELAWE LAULĀ*

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | *KE'ENA HO'OLANA 'ENEHANA*

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February 11, 2026

The Honorable Ronald D. Kouchi
President of the Senate
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha Senate President Kouchi, Speaker Nakamura, and Members of the Legislature:

Pursuant to HRS section 27-43.6, which requires the Chief Information Officer to submit applicable independent verification and validation (IV&V) reports to the Legislature within 10 days of receiving the report, please find attached the report the Office of Enterprise Technology Services received for the State of Hawai'i, Department of Labor and Industrial Relations (DLIR) Hawai'i Unemployment Insurance Modernization (Hui Huaka'i) Project

In accordance with HRS section 93-16, this report may be viewed electronically at http://ets.hawaii.gov (see "Reports").

Sincerely,

Christine M. Sakuda
Chief Information Officer
State of Hawai'i

Attachments (2)

HUI Huaka'i Project

Department of Labor and Industrial Relations (DLIR)

IV&V Monthly Status Report – **[Final]**

For Reporting Period: **[December]**

Draft Submitted: January 7, 2025

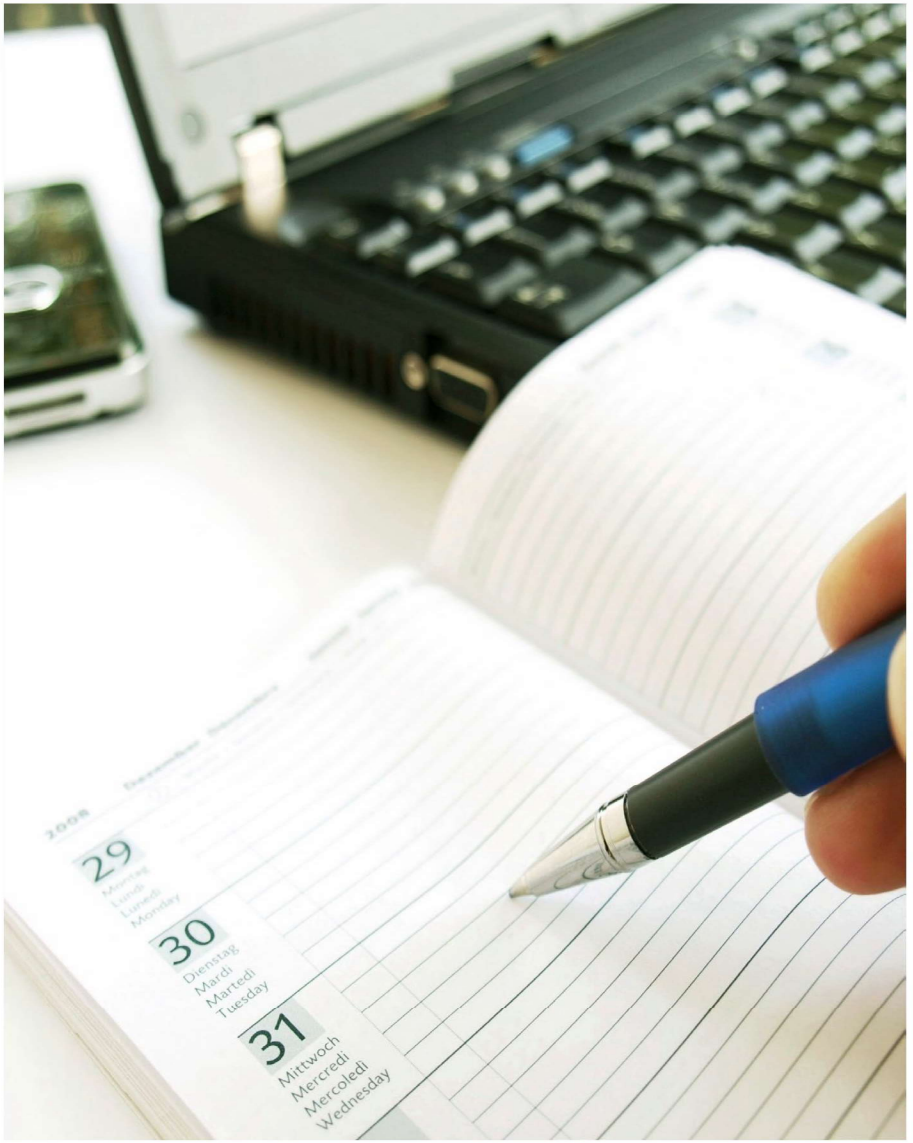
Final Submitted: January 27, 2025

PUBLIC CONSULTING GROUP

Solutions that Matter

Overview

- Executive Summary
- IV&V Findings and Recommendations
- Appendices
  - A – IV&V Criticality Ratings
  - B – IV&V Standard Inputs
  - C – IV&V Details



Executive Summary

Executive Summary

The HUI Huaka'i Project is in a medium-risk Yellow status.

During the December reporting period, one (1) new positive observation was identified. Two project reporting areas are in a medium-risk Yellow status, and two reporting areas are in a high-risk Red status.

The HUI Huaka'i project schedule continues to be under revision, and there is ongoing uncertainty regarding schedule reliability and efficacy in supporting delivery planning. The UI Solution Vendor was expected to submit a schedule change request and release an updated schedule in December; however, artifacts have not been delivered to the Hawaii UI DLIR PMO. The Hawaii UI DLIR PMO Metrics report continues to use a forecast that assumes no user story growth, which does not accurately reflect the current project performance. Additionally, no testing health metrics are being reported.

Velocity decreased in December, with only 18 user stories being completed. As of December 2025, 780 of 1,313 user stories are complete. The IV&V team continues to identify gaps in traceability between Features, User Stories, and Test Cases, and the UI Solution Vendor is working to mitigate these gaps. Current trends and projections indicate that the project will need to accelerate its throughput to keep pace with backlog growth and support timely delivery. The IV&V team reports indicate development has the potential to surpass the scheduled end date.

Requirements gathering has slowed, and the number of requirements gathered remained unchanged from November to December. The IV&V Team has observed that, while test scenarios and cases are primarily linked to requirements, they are not consistently related to the associated User Stories or Features in Azure DevOps (ADO), which could limit visibility into story-level validation. Additionally, discrepancies have been identified between the requirements metrics reported in Azure DevOps and those reported in Power BI.

Challenges persist in validating working software due to the lack of software demos and the IV&V team's ongoing limited access to the QA environment. The project reports that 49% of RTM requirements have been released to QA. Backlog growth continues, which could impact delivery timelines.

The project has made notable progress in Test planning, refining testing processes, and building out ADO test plans. The IV&V team now has access to ADO test plan modules; however, participation in stand-ups and visibility into key health metrics (e.g., defect aging) remain limited. The UI Solution Vendor has proposed an RTM Requirement Test Scenario Demonstration Process to demonstrate the coverage of requirements in test plans. This process is expected to create traceability in the RTM and provide visibility into developed software. It will be incorporated into the Master Test Plan if approved.

One positive finding was identified, recognizing the open and transparent conversations that are happening to identify risks, issues, and project challenges. The collaborative problem-solving reflects a strong commitment to continuous project improvement and success.

The project has two (2) open preliminary concerns, three (3) open risks, three (3) open issues, and one (1) open positive observation.

Executive Summary Dashboard

Overall Rating
As of December 31, 2025

M

The project is currently in a yellow status.

Project Budget

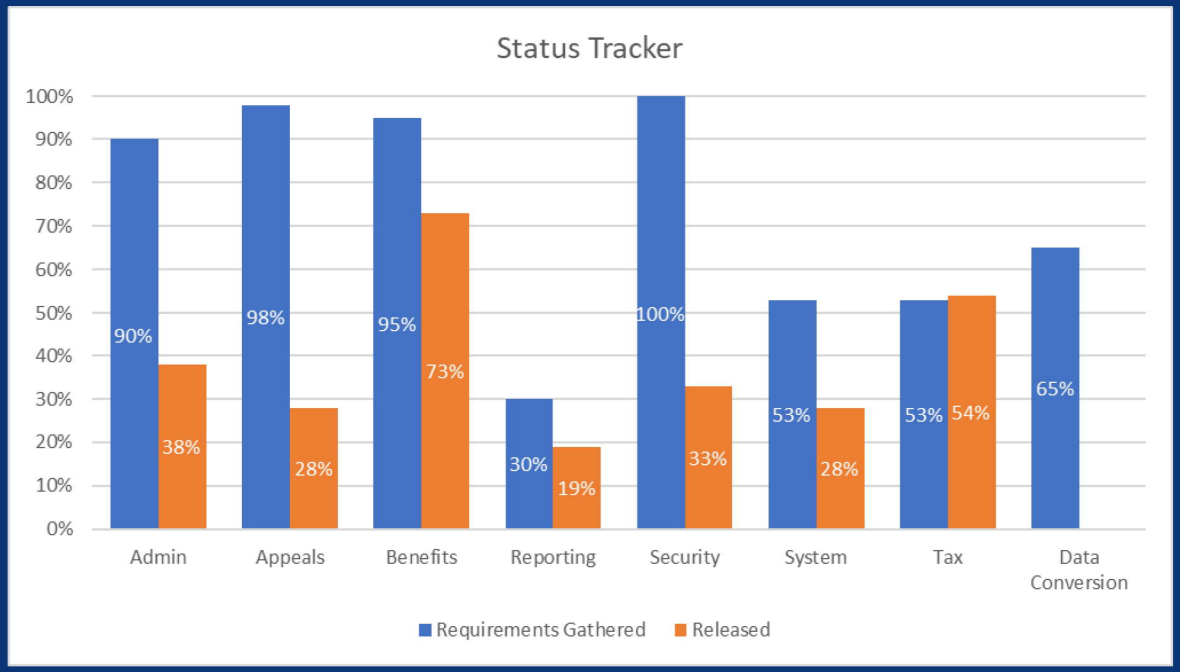


% OF THE RTM DEVELOPED AND RELEASED TO SANDBOX

49%

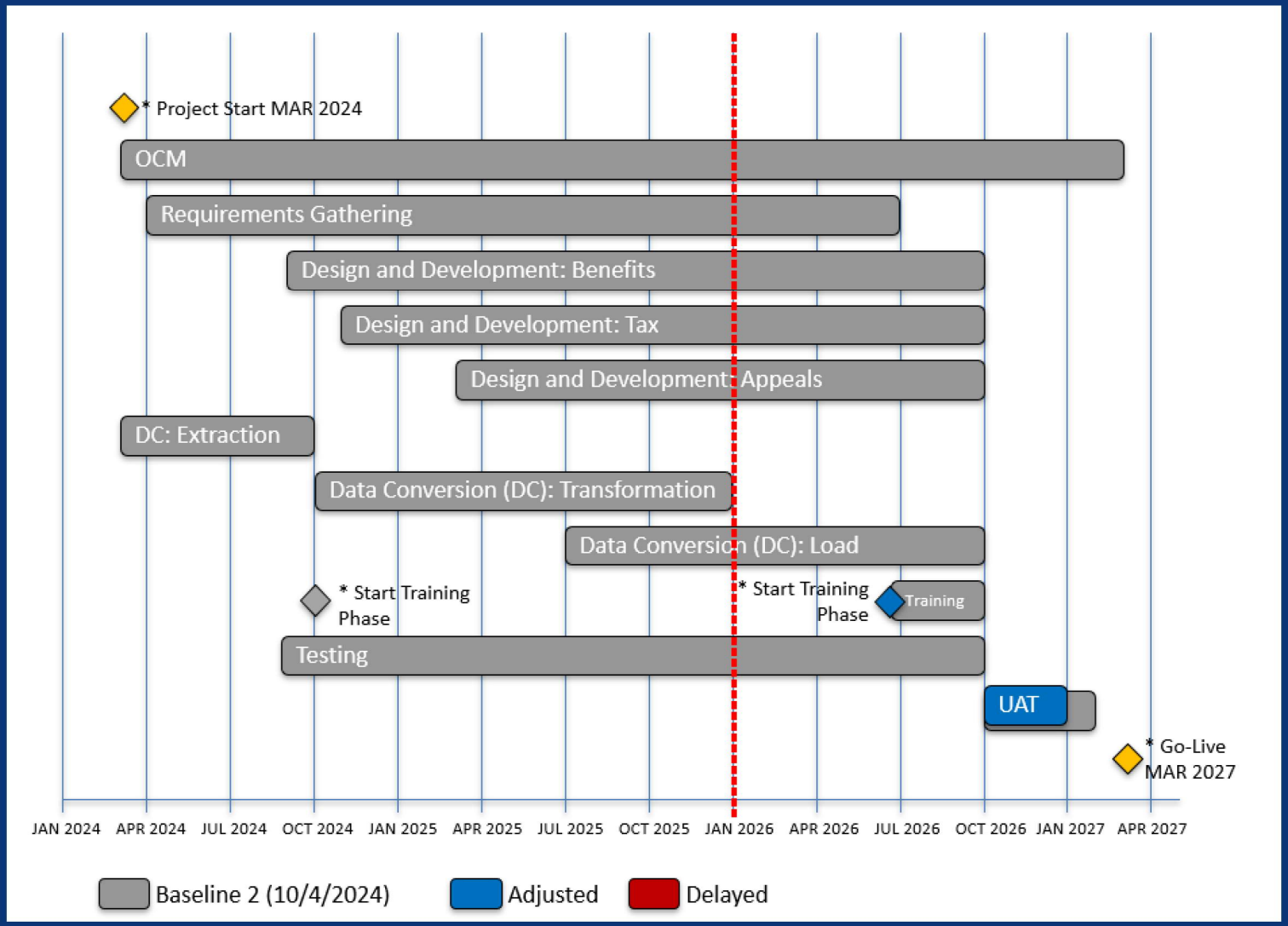
* As reported through the Project Status Report. IV&V currently cannot independently verify the percent developed and released.

Total IV&V Findings - 47
Open – 9
Closed – 37
Open Recommendations – 32
Closed this Month – 2
Opened this Month - 0



* Data Conversion % is reported as the overall progress, not requirements gathered.

Executive Summary Dashboard: Project Timeline



Executive Summary

Oct	Nov	Dec	Category	IV&V Observations
M	L	M	Project Organization and Management	The HUI Huaka'i project is currently lacking a finalized and approved project schedule. Neither the project schedule nor the related change request (CR) was submitted as planned in December. IV&V does not have an updated delivery timeline to report. The UI Solution Vendor has not provided the revised Master Test Plan, which was expected in December, and was to incorporate the updated RTM requirement scenario coverage proposal and the schedule for the requirements demos and approval. No health and quality metrics for testing are being reported, Finding (#61). Additionally, the UI DLIR PMO Metrics report is using a forecast assuming no user story growth, which is associated with Finding (#48). The lack of accurate project metrics can lead to misinterpretation of project status, delayed decision-making, increased costs, and a risk to timely project completion.
M	M	H	Scope and Schedule Management	The IV&V team continues to monitor Finding (#45) regarding velocity and throughput, as well as backlog growth. As of December 2025, 780 of 1,313 stories are complete. Velocity has decreased for the month of December, with 18 stories being completed, compared to 70 and 100 in the previous two months. This is likely due to holidays and team absences. Under current IV&V models, projected completion ranges from 0.7 months behind schedule (baseline) to 1.4 months behind (conservative). A new schedule and schedule CR, expected to be delivered in December, were not delivered, and the project still lacks a final, approved project schedule. The ETC for the new schedule CR is 1/1/2026 (ETC changed twice from 12/25/2025, then 12/29/2025), and IV&V does not have an updated delivery date for a final project schedule. This category is being moved to a High/Red criticality rating.
M	M	L	Requirements Management	As of this reporting period, the RTM dashboard shows 73% of requirements gathered (No change in November or December), and 75% (from 73% in November) of User Stories associated are ready for development. Requirements are shifting toward development for areas such as Appeals and Benefits, as most requirements have been gathered and sessions are becoming more ad hoc. The IV&V team continues to monitor traceability gaps between Features, User Stories, and test cases (#42). During a testing/requirements collaboration meeting with the UI Solution Vendor, the IV&V team, and the state, the project reaffirmed the expectation to explicitly link test cases to Requirements in the RTM. They have already begun work to clean this up and catch up to where they would expect to be. The IV&V team is continuing to monitor the efficacy of this effort. IV&V has also observed that, while test scenarios and cases are primarily linked to requirements, they are not consistently linked to the associated User Stories or Features in Azure DevOps (ADO), which could limit visibility into story-level validation. This category is being moved to a Green/Low criticality rating.

*Additional details on finding impacts and significance can be found in the IV&V Findings and Recommendations section

Executive Summary

Oct	Nov	Dec	Category	IV&V Observations
L	L	L	Architecture and Design	During the December 2025 reporting period, Appeals requirements and user story development progressed with a focus on Filing Appeals, Decisions, and Scheduling, informed by evolving design inputs. The Appeals team continued assessing change impacts and refining requirements based on these design considerations. In parallel, documentation updates progressed in coordination with the Plain Language team to align with plain-language standards and updated system capabilities. Finance design and requirements activities also progressed, with ongoing review of accounting and federal reporting outputs, including data call, drawdown, reconciliation, and ETA reports. Finance SMEs evaluated available reports, assessed alignment with DLIR needs, and refined requirements and RTMs to support accounting and federal reporting. Design sessions for the Client and Employer Portals are progressing and an Employer Portal Demonstration is planned in the first quarter of 2026.
M	H	H	Testing (Sprint, Unit, System, Integration, UAT)	The project has made notable progress, refining testing processes and building out ADO test plans for SME requirements testing. The IV&V team now has full access to ADO test plan modules; however, participation in stand-ups and visibility into key health metrics (e.g., defect aging) remain limited (#58, #59). SME requirements testing was paused for several months, but a reintroduction and more involvement of SMEs in the testing process began this month. The Master Test Plan v3.0 was submitted on December 8 but remains unapproved and does not fully reflect the evolving approach (#60). A Selenium dashboard for automation coverage is planned but not yet implemented. Despite momentum, gaps in schedule, SME involvement, and plan accuracy, this area remains in Red.
L	L	L	Data Conversion Management	Data conversion activities continued to progress during December 2025, supported by recurring working sessions and ongoing rule-based data quality validations using SAP Information Steward. Monthly Data Scorecards continued to guide remediation efforts, with the HI DLIR UI Team collaborating closely with the vendor to resolve discrepancies and refine validation rules. As of December 2025, table-level quality scores ranged from 9.78 to 10, and overall data conversion progress reached approximately 65%.
L	L	L	Security	There were no security design sessions held in November. There has been no update about how these sessions will proceed. The IV&V team will continue to monitor these activities.
L	L	L	Training and Knowledge Transfer	During this reporting period, there are no updates regarding Knowledge Transfer or Training. Training and Knowledge Transfer activities are scheduled to start in June 2026. The start date may change after the IV&V team reviews the project schedule submitted on December 31, 2025. The IV&V team will continue to monitor the training and knowledge transfer activities.

*Additional details on finding impacts and significance can be found in the IV&V Findings and Recommendations section

Executive Summary

Oct	Nov	Dec	Category	IV&V Observations
L	L	L	Interfaces	The project initiated the 3rd-party Interfaces and Integration work stream in September and brought on a new Integration Team Lead who has extensive project implementation experience. No meetings were held. The IV&V team will continue to monitor these activities.
M	M	M	Software Development	The IV&V team continues to monitor throughput and development trends (#45). The three-month average for User Stories added is trending down, and throughput has also trended down this month, most likely due to team absences. Based on current trends and projections, the project will need to accelerate its throughput to keep pace with backlog growth and support timely delivery. The IV&V team reports indicate development has the potential to surpass the scheduled end date. The IV&V team still lacks access to QA environments to independently validate working software. The project reports that 49% of RTM requirements have been released to QA (47% in November).
L	L	L	Human Resources and Staffing Management	During this reporting period, no new resources were added to the project. The IV&V Team reviewed the Resource Management Plan to ensure the project is operating in accordance with the methodology outlined in the Resource Management Plan. The IV&V team submitted a few clarifying questions to the HI DLIR Project Manager and will provide an update in the following reporting period. All positions are considered stable. IV&V will continue to monitor resource management activities.
L	L	L	Risk and Issue Management	Risk and Issue Management Meetings are held every Tuesday and Thursday. During this reporting period, five risks (Risk ID 107, 49, 91, 105, and 6) were escalated to issues and added to the AID Log. Two of the five issues are project management-related, two of the five issues are testing-related, and the final issue is related to Data Conversion. Additionally, the IV&V team observed a positive shift in communication surrounding risk management and opened a positive observation (#65), encouraging the UI PMO to continue fostering open and honest communication amid project challenges. The IV&V team will continue to monitor risk and issue management activities.

*Additional details on finding impacts and significance can be found in the IV&V Findings and Recommendations section

Organizational Change Management

Organizational Change Management is **Green** with the following **Observations**:

The current OCM meetings are running smoothly without any issues. During this reporting period, the IV&V team reviewed the OCM Plan and will be providing feedback to the Hawaii UI DLIR PMO. The Change Ambassador Plan is still with Leadership for review and will be shared with the IV&V team when approved. The Holiday B-Y-O-B was held on December 10, 2025. The staff received a brief demonstration of the Claimant and Employer portals at the B-Y-O-B this month. The strategic goal for December was to Reduce Fraud. IV&V will continue to participate in and monitor OCM activities.

OCM Activities

The OCM Team's December accomplishments included:

- Weekly OCM meetings were held to review and coordinate OCM related tasks.
- Monthly project intranet update shared to keep stakeholders informed about the project (hasn't posted yet).
- This month's Strategic Goals Puzzle pieces were posted to the Poster in UI offices (hasn't posted yet).
- Change Ambassador Network planning continued throughout December. Preparations continued for the Branch Manager meeting in February where details about the Change Ambassador Network will be shared. The selection process will start after the meeting.
- The December strategic goal is "Reduce Fraud". This is part of the seven-month Strategic Goals Communications Campaign. This is month six of the seven-part series.
- Continued to gather preliminary change impacts from project team members. A meeting was held with Appeals Director to discuss and validate Appeals change impacts by role.
- Holiday B-Y-O-B Engagement Session was held on 12/10/2025 to showcase the Claimant and Employer Portals and celebrate the successes of 2025.
- 4th Quarter OCM Performance Report completed.
- Quarterly OCM Performance Trend Analysis Report completed.



IV&V Findings and Recommendations

IV&V Findings and Recommendations

Findings Opened During the Reporting Period

#	Finding	Category
65	**Open and Constructive Communication Amid Project Challenges –** Positive Observation	Risk Management

IV&V Findings and Recommendations

Findings Retired During the Reporting Period

#	Finding	Category
	NA	

IV&V Findings and Recommendations

M Project Organization and Management

#	Key Findings	Criticality Rating
48	Issue – Misrepresented Velocity Forecasting in Project Dashboard **Initial Observations:** • The project's updated Power BI reporting tool, "UI PMO Metrics," presents a three-month average velocity forecast assuming no future backlog growth. This overestimates project performance and creates overly optimistic timeline projections. For example, the most recent velocity projection is showing finishing 4 months ahead of schedule, and that their current velocity is above where it needs to be. • This logic does not fully reflect historic backlog growth trends and ongoing development and testing activities. For example, the backlog has grown by nearly 300 stories in the past 3 months. • By displaying to project stakeholders or the PMO that development will conclude four months earlier than other project indicators, like the scheduled completion, creates a false sense of progress and may mislead stakeholders on project health. **Analysis:** As a result of using a linear forecast that assumes zero future backlog growth, stakeholders are likely to misinterpret project health and underestimate schedule risks, resulting in poor decision-making and reduced preparedness for testing, bug resolution, and other project phases. While the dashboard correctly calculates the average 3-month velocity and accurately reflects current backlog totals, the underlying logic behind its forecast projection ignores consistent historical growth (e.g., 90+ new stories/month on average). By omitting this context, the forecast provides an overly optimistic development end date that is not aligned with broader project indicators or scenario-based planning methods.	Medium

IV&V Findings and Recommendations

M Project Organization and Management

Recommendations	Status

IV&V recommends:
• Update the Power BI dashboard logic to include realistic backlog growth assumptions, such as:
  • An exponential decay model representing tapering growth over time.
  • A flat growth or lagged growth scenario to reflect conservative risk planning.
  • A phase-based growth scenario to reflect typical growth or decay of the backlog based on phases such as testing, development, and requirements gathering.
 	
• Incorporate scenario-based forecasting rather than a single linear projection to better represent uncertainty and variability.
	Open

Update(s)
12/26/2025 – No adjustments have been made to the Power BI dashboard; the projections continue to forecast assuming no growth in user stories. This is being raised to an Issue. **11/30/2025 –** The IV&V team requested an update, but due to the holiday, did not receive feedback during this reporting period. **10/31/2025 –** No updates as of this reporting period. IV&V is continuing to monitor and communicate risks associated to this finding.

IV&V Findings and Recommendations

M Project Organization and Management

#	Key Findings	Criticality Rating
61	Preliminary Concern – Lack of Testing Health and Quality Metrics **Initial Observations:** The Test Master Plan (TMP) outlines a set of operational metrics in its "Reporting and Metrics" section (Table 29), including test coverage percentages, bugs pending triage, and requirements awaiting validation. These metrics are primarily designed to support day-to-day testing execution and do not provide insight into the overall health, progress, trends, or maturity of the testing phase. The plan omits key indicators such as defect aging, failure rates, severity distribution, actual vs. planned test execution, and test effectiveness trends. This gap limits the ability of stakeholders to assess testing quality, identify systemic issues, and make informed decisions about readiness and risk. **Analysis:** As a result of insufficient testing of health and maturity metrics, the risk of under-informed decision-making is likely, resulting in reduced visibility into testing effectiveness and project readiness.	NA

Recommendations	Status
IV&V recommends the following actions: 1) Expand the Reporting and Metrics section of the TMP to include indicators of testing health and maturity, such as defect aging, failure rates, severity distribution, and test execution trends. 2) Incorporate actual vs. planned progress metrics to assess schedule adherence and testing throughput. 3) Align the Test Master Plan with IEEE 29119 and IEEE 1061 standards, which emphasize metrics that track quality, predictability, and progress over time. 4) Develop dashboards or summary reports that provide these metrics for executive-level visibility.	Open

IV&V Findings and Recommendations

M Project Organization and Management

Update(s)
12/26/2025 – During the December 11 meeting with the UI Solution Vendor, the team confirmed that current reporting in ADO focuses on operational metrics such as pass/fail status and requirement-level coverage. While these metrics provide visibility into test execution, they do not address broader indicators of testing health or maturity. UI Solution Vendor acknowledged this gap and committed to developing dashboards that will include requirement coverage and automation statistics. They also plan to begin weekly reporting on coverage progress. However, metrics such as defect aging, failure rates, severity distribution, and actual vs. planned execution remain absent from the current reporting framework. No timeline was provided for implementing these additional metrics. These observations reinforce the need to expand the Test Master Plan and reporting approach to include health and quality indicators that support executive-level decision-making.

IV&V Findings and Recommendations

H Scope and Schedule Management

#	Key Findings	Criticality Rating
45	Risk – **Velocity and Backlog Growth Risks Schedule** Since August 2024, the project backlog has grown by over 600 net new stories, with limited progress on completion until early 2025. Although June 2025 showed a slowdown in new story creation, it is too early to confirm a stable trend. IV&V performed forecasting in June using both story points and story counts, revealing wide variance in projected completion timelines depending on backlog growth and delivery rate. Under the current throughput (27 stories/month), the project could meet its October 2026 development deadline if no additional scope is added. However, continued backlog growth—even at reduced levels—would extend the timeline significantly. These findings highlight the need to control scope intake and improve throughput to ensure timely delivery. As a result of sustained backlog growth and reliance on variable throughput trends, future delivery timelines may extend beyond the scheduled end date, resulting in increased cost and risk exposure. Forecasting models show that if the backlog continues to grow—even modestly—project completion could extend significantly unless corrective actions are taken to improve development throughput or limit scope expansion. Continued on the next slide.	High

IV&V Findings and Recommendations

H Scope and Schedule Management

Recommendations	Status
IV&V Recommends: - Stabilize backlog intake through more rigorous scope control and change management processes. - Regularly monitor and report on net new stories added per month to identify scope growth early. - Evaluate opportunities to increase throughput by analyzing bottlenecks and process inefficiencies. - Prioritize backlog grooming to eliminate unnecessary or duplicate stories. - Adopt a shared forecasting model and regularly update based on story point and count velocity. - Increase transparency into backlog refinement decisions to ensure alignment with RTM and project goals.	Open

Update(s)
Found on next slide.

IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

12/29/2025 -
As of December, 780 of 1313 user stories have been completed. Throughput has decreased for the month of December, with 18 stories being completed, compared to 70 in the previous month. This is most likely due to holidays and team absences.

Baseline: Realistic decay model - project completes development 0.7 months behind schedule. Target velocity needed = 101

Conservative/Risk: Flat growth or lagged decay - project completes 1.4 months behind schedule. Target velocity needed = 108

11/30/2025 –
As of November, 762 of 1335 user stories have been completed. Throughput targets based on the 3-month moving average have been trending up, which is supporting more ideal metrics of timely delivery.

Baseline: Realistic decay model - project completes development 0.4 months behind schedule. Target velocity needed = 90

Conservative/Risk: Flat growth or lagged decay - project completes 1 month behind schedule. Target velocity needed = 102

10/30/2025 –
- As of October, 638 of 1351 user stories have been completed. Schedule variance has slipped further with the most recent analysis.
- 3-month velocity has trended slightly up, yet still falls short of velocity targets needed to support timely delivery:

Baseline: Realistic decay model - project completes development 0.7 months behind schedule. Target velocity needed = 94

Conservative/Risk: Flat growth or lagged decay - project completes 2.2 months behind schedule. Target velocity needed = 105

IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

9/29/2025 –

- As of September, 588 of 1284 user stories have been completed.
- 3-month velocity has trended up, which has positively impacted the projections and forecasts as follows:

Baseline: Realistic decay model - project completes development 0.1 months behind schedule. Target velocity needed = 84.67

Conservative/Risk: Flat growth or lagged decay - project completes 1.6 months behind schedule. Target velocity needed = 95.50

8/26/2025 -

- As of August 2025, 476 of 1,251 user stories have been completed. The project's recent decision to link all backlog items to the RTM has significantly changed the backlog landscape and historical metrics, increasing visibility and improving traceability. IV&V supports this shift, as it addresses prior concerns about unlinked work.

- Forecasting has been enhanced and matured to include an exponential decay model to reflect more realistic backlog growth over time and create more accurate and nonlinear projections and forecasts. IV&V has also added velocity targets for each scenario.

- The three scenario-based projections, rooted in the exponential decay model:
Baseline: Realistic decay model - project completes development 2.0 months behind schedule

Optimistic: No new growth - project completes development 2.4 months ahead of schedule

Conservative/Risk: Flat growth or lagged decay - project completes 3.8 months behind schedule

IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

7/28/2025 -

- As of July 2025, the project has completed 362 of 955 user stories, leaving 593 stories remaining in the backlog.

- Backlog growth has slowed, and throughput has increased, showing a positive trend of throughput and backlog decline.

- Using a 6-month average forecast, if no new stories are added, and current 6-month average throughput is maintained, the project will finish on time with the scheduled planned development end date. The Moderate scenario within that same forecast shows that maintaining the same throughput will surpass the end date by approximately 2 months. 3-month average and historical averages are being monitored as well.

IV&V Findings and Recommendations

Requirements Management

#	Key Findings	Criticality Rating
42	**Risk**– Missing Requirement and Test Case Traceability for Some User Stories and Features For some User Stories that have been developed, IV&V observed no corresponding test case to verify that the requirement was correctly built and works as intended. For example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771. Additionally, there is no linked requirement associated with the Feature or the User Story (i.e., no parent requirement for the User Story, and no child requirement for the Feature). Requirements Traceability Matrix (RTM) typically tracks two main components for each requirement: 1. Development/Build (designing and implementing the requirement) 2. Testing/Validation (verifying that the requirement is correctly built and works as intended). Simply, Requirement → How it is implemented → How it is tested The RTM's purpose is: 1. Ensure every requirement is accounted for in the system build. 2. Ensure every requirement is tested (validation coverage). 3. Show clear traceability both forward (Requirement ➔ Test Case) and backward (Test Case ➔ Requirement).	Medium

Recommendations	Status
IV&V recommends ensuring end-to-end traceability by fully tracing Features, User Stories, and related development tasks to corresponding requirements and associated test cases within the RTM. In addition, IV&V recommends explicitly linking test cases to the corresponding User Stories and Features in Azure DevOps (ADO) to help ensure that all implemented functionality is adequately validated during testing and aligned with stakeholder requirements.	Open

IV&V Findings and Recommendations

Requirements Management

Update(s)

12/31/2025 -

The project has defined and begun implementing a new, systematic testing process with the following key elements:
a) Requirements Traceability
All tests will be explicitly linked to the Requirements Traceability Matrix (RTM) to ensure full coverage, establish clear go/no-go criteria at the requirement level, and enable efficient SME engagement.
b) SME Review and Execution Model
Subject Matter Experts (SMEs) will review test scenarios for completeness and execute tests using standardized, two-part scripts consisting of:
- A high-level summary providing business and functional context, and
- Detailed, step-by-step instructions for execution.
c) Test Automation Approach
Testing will be automated using two (2) tools:
- TestSuite for complex data setup activities (e.g., wage seeding), and
- Selenium for user interface interactions that simulate end-user actions (e.g., navigation and data entry).

Regular SME review meetings are scheduled to begin the week of January 5, 2026, starting with an introductory session. Meeting agendas will be distributed in advance to support resource planning.

Under the project's current testing approach, test scenarios and cases are primarily linked to requirements but are not consistently linked to the associated User Stories or Features in Azure DevOps (ADO). While requirement-level traceability supports validation of business intent, the absence of explicit linkage between test cases and User Stories would limit visibility into whether all implemented stories are directly validated through testing. Addressing this linkage would further strengthen end-to-end traceability across requirements, User Stories, and test cases.

IV&V will monitor implementation of this process and provide ongoing feedback.

IV&V Findings and Recommendations

Requirements Management

Update(s)
11/30/2025 - Test case traceablity issues have still not been resolved. This lack of traceability sustains the risk that this functionality may not be adequately validated during testing, potentially leading to the functionality not meeting stakeholder requirements. **10/31/2025** - There are still missing requirements and test case traceability issues. **08/31/2025** - While the discussion commentary in the User Story (46942) in ADO suggests that it has been tested, both the user story and its parent feature (46771) still lack associated test cases. This continuing gap indicates that the traceability issue remains unaddressed, sustaining the risk that this functionality may not be adequately validated during testing, potentially leading to the functionality not meeting stakeholder requirements. **7/31/2025** - There has been no change since last month regarding traceability in Azure DevOps (ADO). Task 54144 remains a child of User Story 46942 (Decision Template page), and neither the User Story nor its parent Feature 46771 has an associated test case. This ongoing gap indicates that the traceability issue first identified in May and reiterated in June remains unaddressed, sustaining the risk that this functionality may not be adequately validated during testing.

IV&V Findings and Recommendations

Requirements Management

Update(s)
6/30/2025 - There continues to be a lack of full traceability between some Features, User Stories, and corresponding test cases in Azure DevOps (ADO). As of this month, Task 54144 remains a child of User Story 46942 (Decision Template page), but no test case has been associated with either the User Story or its parent Feature 46771. This indicates that the traceability gap identified last month has not yet been addressed, increasing the risk that functionality may not be adequately validated during testing. **5/31/2025** - Not all Features, User Stories, and related development tasks are fully traced to associated test cases in ADO, for example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771.

IV&V Findings and Recommendations

M Software Development

#	Key Findings	Criticality Rating
52	Issue – The absence of regular demos of working software increases the risk of misalignment between delivered functionality and stakeholder expectations. **Initial Observations:** • Demos are a key Agile practice to align development outputs with stakeholder needs. They provide stakeholders the opportunity to review functionality, validate design decisions, and confirm whether sprint goals are met. Currently, the project is at Sprint 30, but regular demos are not consistently conducted. • Agile best practices recommend holding demos with the development team, scrum master, product owner, and relevant stakeholders at the end of each sprint. This strengthens collaboration, validates project objectives, informs backlog prioritization, and ensures that deliverables remain consistent with stakeholder expectations. **Analysis:** • According to Agile best practices (Scrum Guide 2020, PMI Agile Practice Guide, and SAFe), demos and sprint reviews are essential for stakeholder feedback and validation of sprint outcomes. IEEE 1012-2016 emphasizes the need for early and continuous stakeholder involvement to validate requirements. • The absence of regular demos of working software increases the risk of late discovery of misaligned functionality, delays in incorporating stakeholder feedback, and unnecessary rework during testing. For example, issues such as defect 55143 (View Appeal brings blank page) could be identified earlier through demo feedback. The absence delays feedback loops and increases the risk of delivered functionality not meeting stakeholder expectations, misaligned deliverables, reduces transparency, rework, and late defect discovery.	Medium

IV&V Findings and Recommendations

M Software Development

Recommendations	Status
According to Agile Best Practices, IV&V recommends that the program incorporate demos consistently into future sprints and sprint reviews by: **Conducting Sprint Reviews with Demonstrations** At the end of each sprint (or at least once during a 2-week sprint), demonstrate completed functionality. Use these sessions to validate progress against sprint goals, gather immediate feedback, and refine or reprioritize the product backlog. • Scrum Guide (2020): Sprint Review is a formal event to "inspect the outcome of the Sprint and determine future adaptations." • PMI Agile Practice Guide (2017): Iteration reviews (demos) ensure alignment with business priorities and continuous stakeholder feedback. **Maintaining a Stakeholder Engagement List** Maintain a list or register of stakeholders, including their roles and interests, to ensure the right participants are included in demo sessions. Review and update this list regularly to strengthen stakeholder engagement. • PMBOK 7th Edition / PMI Agile Practice Guide: Identifies stakeholder engagement as critical for transparency and delivery of business value. • IEEE 1012-2016: Requires documenting stakeholder roles and involvement to ensure effective validation and verification. **Promoting Active Stakeholder Participation** Encourage stakeholders to contribute during sprint reviews and demos. Highlight the importance of iterative feedback in guiding development, validating business needs, and ensuring alignment with program objectives.	Open

IV&V Findings and Recommendations

M Software Development

Recommendations	Status
• Scrum Guide (2020): The Sprint Review "gives stakeholders the opportunity to provide feedback on the Increment. • Scaled Agile Framework (SAFe): Iteration Reviews emphasize validating business functionality through direct stakeholder participation. **Standardizing Communication in Reviews** Define consistent practices for sprint reviews and demos. Teams should present progress, challenges, backlog impacts, and planned next steps. This enhances transparency, builds trust, and fosters ongoing engagement. • Agile Alliance / Scrum Guide: Transparency and inspection are core pillars of Agile; clear communication during reviews is key to maintaining them. • PMI Agile Practice Guide: Effective communication in ceremonies builds trust and enables adaptive planning. **Capturing Outcomes for Accountability** Record feedback, key decisions, and action items from each demo in a lightweight format (e.g., sprint review notes or backlog updates). Use this as a reference for backlog refinement and continuous process improvement. • Scrum Guide (2020): Sprint Review results feed directly into backlog adaptation. • IEEE 1012-2016: Calls for traceability of validation activities, including documentation of outcomes and corrective actions.	Open

IV&V Findings and Recommendations

M Software Development

Update(s)

12/31/2025 -

The project has begun implementing a new, structured testing and review approach (as described in Finding #42), which includes increased SME engagement and more frequent review of working functionality.

As part of this approach, the project has introduced weekly demos of working software to Subject Matter Experts (SMEs). The first demo, covering twelve (12) Claimant Management requirements, was conducted on Friday, 12/26/2025.

IV&V notes this new process as a positive step toward strengthening feedback loops and validating functionality earlier in the development lifecycle. However, IV&V has not yet been invited to attend these demos, which limits IV&V's ability to independently observe stakeholder feedback, assess alignment with sprint objectives, and evaluate the effectiveness of demo practices.

IV&V will continue to monitor the implementation of demo activities and stakeholder participation and provide ongoing feedback.

11/30/2025 -

The project did not provide demonstrations of working software from completed sprints during this reporting period. While IV&V remains available to observe sprint reviews, the lack of demos restricts the ability to validate delivered functionality and assess progress against requirements.

10/31/2025 -

During this reporting period, IV&V has not observed demonstrations of working software resulting from completed sprints, which may limit stakeholder visibility into progress and alignment with requirements.

IV&V Findings and Recommendations

H Testing

#	Key Findings	Criticality Rating
58	**Issue**– Limited access to testing artifacts, processes, and metrics Observations: The IV&V team has encountered various limitations in providing effective independent oversight into the testing domain of the project, which includes: • The UI Solution Vendor denied the IV&V team access to the test plan module in ADO and its inherent information, including test run information and testing metrics. • UI Solution Vendor is not currently reporting metrics on testing, test quality, or defects, and has expressed reluctance to make that information available • IV&V continues to lack access to the QA environment to validate quality and testing comprehensiveness independently Analysis: As a result of limited access to testing information within ADO, ADO testing metrics, and external test quality reporting, a lack of IV&V visibility into the testing process is likely, resulting in reduced ability to identify project risks, assess development and testing quality, and validate the State's level of insight and involvement in the UI solution vendor's processes. This condition inhibits IV&V's role as an independent partner in evaluating system quality and may impair the State's ability to effectively approve and ensure the quality of the delivered solution.	Medium

Recommendations	Status
IV&V Recommends: 1) UI Solution Vendor provide IV&V access to test plans and execution data in ADO. 2) Testing statistics and reporting should be reported regularly and in a consistent and transparent format.	Open

IV&V Findings and Recommendations

H Testing

Update(s)
12/26/2025 – The IV&V team has been given access to ADO testing metrics and the test plan module this reporting period. The project continues to lack comprehensive testing health metrics and reporting, such as defect aging and overall quality indicators. The vendor has proposed a Selenium automation dashboard, but it is not yet available to IV&V or the State. These gaps continue to limit full oversight of testing quality and progress. **11/30/2025 –** There have been no changes identified by the IV&V team in this reporting period; testing statistics reported, as well as IV&V team access to testing information, remain limited.

IV&V Findings and Recommendations

H Testing

#	Key Findings	Criticality Rating
59	**Preliminary Concern** – IV&V Exclusion from Daily Standups Observations: Testing Standup meetings have been occurring since mid-September. The IV&V team was initially invited to this series, but then later asked to not attend, citing that they weren't ready for us to attend. The IV&V team has followed up to inquire when we would be allowed to attend, and no response or timeline has been provided. Prolonged exclusion has added to the previous constraints into limited visibility of the project's testing process. Analysis: As a result of IV&V's exclusion from daily testing standups, a lack of visibility into the testing process is likely, resulting in reduced ability to identify project risks, assess development and testing quality, and validate the State's level of insight and involvement in the UI solution vendor's processes.	NA

Recommendations	Status
IV&V recommends the following actions to address this concern: 1) Immediately include IV&V in all daily testing standup meetings and related testing discussions. 2) Provide IV&V with access to relevant testing documentation, metrics, and environments to support independent oversight.	Open

IV&V Findings and Recommendations

H Testing

Update(s)
12/26/2025 – The IV&V team has not been included in Daily Testing Standups during this reporting period, limiting direct visibility into ongoing testing activities.

IV&V Findings and Recommendations

H Testing

#	Key Findings	Criticality Rating
60	**Risk** – Inadequate Defect Management Processes and Ambiguity in Test Plan Guidance Observations: The IV&V team has observed that seven SME Requirements tests have remained in a failed state for over two months without any linked bugs logged in Azure DevOps (ADO). One of these test cases has a bug linked to the requirement it is linked to, but is unclear where the bug resulted from and if it's related to the test case failure (logged a month after the most recent failure of the test case). No retesting has occurred, and no updates have been made to related metrics since 9/23/2025. This is symptomatic of broader issues in defect management practices. The Test Master Plan outlines general expectations for bug logging and triage but does not explicitly require that all failed test cases result in bug creation. This lack of specificity contributes to inconsistent tracking, delayed resolution, and reduced visibility into testing progress and system quality. Analysis: As a result of ambiguous defect tracking guidance and inconsistent bug logging practices, a recurrence of untracked test failures is likely, resulting in reduced traceability, delayed issue resolution, and diminished confidence in testing outcomes.	Medium

Recommendations	Status
IV&V recommends the following actions: 1) Update the Test Master Plan to explicitly state if all failed test cases, especially SME Requirements tests, should be logged as bugs in ADO if it is a valid failure. 2) Establish reporting mechanisms that report defect aging, failure rates, and retest status to stakeholders on a recurring basis. 3) Review the 7 failed test cases and if bugs need to be logged or linked to them for resolution.	Open

IV&V Findings and Recommendations

H Testing

Update(s)
12/26/2025 – A meeting this reporting period occurred to discuss ADO test coverage and answer IV&V questions. Prior to this meeting, it was acknowledged that SME requirements testing only occurred for a short trial period, and the failures logged during that time were invalid. This has been cleaned up in an ongoing effort to refine their testing approach. During this meeting, the UI solution vendor clarified: - Bugs will be linked to Requirements, not test cases. - The test runner in ADO supports logging bugs during test execution, but there is no enforced process ensuring linkage to failed test cases - Internal (UI Solution vendor testing) at the story level is not maintained in ADO; only RTM level test scenarios will be tracked. - The UI Solution vendor acknowledged that it will take approximately two months to catch up with test coverage and linking of existing requirements ready for SME testing. The Test Master plan has not been updated to reflect the testing and defect management processes discussed.

IV&V Findings and Recommendations

Risk Management

#	Key Findings	Criticality Rating
65	**Positive Observation** – The team is engaging in candid, difficult conversations and fostering open feedback across stakeholders, which supports shared understanding, timely identification of issues, and collaborative problem-solving. Observations: Despite the project's yellow status, the project team is demonstrating maturity and resilience by engaging in difficult, transparent conversations. Team members are openly discussing challenges, risks, issues, and constraints, and leadership is encouraging candid feedback across disciplines. This open communication environment fosters shared understanding, supports timely issue identification, and positions the team to collaboratively develop realistic mitigation strategies. The willingness to confront issues directly reflects a strong commitment to accountability and continuous improvement. Analysis: Open and transparent dialogue enables early identification of risks and issues, supports informed decision-making, and reduces the likelihood of surprises. This behavior builds stakeholder trust and improves alignment on corrective actions, increasing the project's ability to respond effectively to challenges and stabilize performance.	Low

Recommendations	Status
N/A	Open

Appendix A – IV&V Criticality Ratings

See definitions of Criticality Ratings below:

Criticality Rating	Definition
H	A high rating is assigned if there is a possibility of substantial impact to product quality, scope, cost, or schedule. A major disruption is likely and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.
M	A medium rating is assigned if there is a possibility of moderate impact to product quality, scope, cost, or schedule. Some disruption is likely and a different approach may be required. Mitigation strategies should be evaluated and implemented as soon as feasible.
L	A low rating is assigned if there is a possibility of a slight impact on product quality, scope, cost, or schedule. Minimal disruption is likely and some oversight is most likely needed to ensure that the risk remains low. Mitigation strategies should be considered for implementation when possible.

Appendix B – IV&V Standard Inputs

Meetings attended and artifacts reviewed during the reporting period:
December 2025 Project HUI Huaka'i Weekly Status Reports
Updated Project Management Plan
Data Cleansing meetings and meeting notes for meetings in December 2025
Development (Appeals) Features Backlog - Boards (azure.com)
Development (Benefits) Team Epics Backlog - Boards (azure.com)
DLIR Traceability Matrix Team Epics Backlog - Boards
Appeals Design sessions agendas, meetings and meeting notes
Benefits Requirements Sessions agendas and Meeting Notes
Financial/Accounting Requirements agendas, meetings, and meeting notes
Tax Requirements sessions
OCM agendas, meetings, and meeting notes
Epic 28163 System
Risk Management Meetings
Project Schedule
OCM Plan Audit
Requirements Management Plan
Resource Management Plan
RAID Log
Production Support Plan
Data Governance Plan
Power BI Project Reports

Appendix C – IV&V Details

- What is Independent Verification and Validation (IV&V)?
  - Oversight by an independent third party that assesses the project against industry standards to provide an unbiased view to stakeholders
  - The goal of IV&V is to help the State get the solution they want based on requirements and have it built according to best practices
  - IV&V helps improve design visibility and traceability and identifies (potential) problems early
  - IV&V objectively identifies risks and communicates to project leadership for risk management

- PCG IV&V Methodology
  - Consists of a 4-part process made up of the following areas:
    1. **Discovery** – Discovery consists of reviewing documentation, work products and deliverables, interviewing project team members, and determining applicable standards, best practices and tools
    2. **Research and Analysis** – Research and analysis is conducted in order to form an objective opinion.
    3. **Clarification** – Clarification from project team members is sought to ensure agreement and concurrence of facts between the State, the Vendor, and PCG.
    4. **Delivery of Findings** – Findings, observations, and risk assessments are documented in this monthly report and the accompanying Findings and Recommendations log. These documents are then shared with project leadership on both the State and Vendor side for them to consider and take appropriate action on.

Note: This report is a point-in-time document with findings accurate as of the last day in the reporting period.



Solutions that Matter