STATEMENT OF INTENT

TREASURER’S DIRECTIONS

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Section ICT 3.1: ICT Project Management

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| A rigorous and disciplined approach to ICT project management will enable agency projects to be delivered on time and on budget with fit-for-purpose ICT solutions that realise expected benefits. |

##### MAIN FEATURES

Section 38 of the *Financial Management Act* requires every Accountable Officer and every employee of an agency to comply with the Treasurer’s Directions.

Accountability

Agency Accountable Officers are responsible for ICT activities and expenditure, ICT proposals and the delivery of ICT projects within their agency.

ICT Project Management

Agencies are to use a recognised professional ICT project management methodology suited to the agency’s needs to ensure that ICT projects will successfully deliver the required outcomes on time, on budget and to the business and technical standards specified.

An ICT Project Management Framework, applying a profile-based approach, is available to guide agencies in selecting the method best suited to managing their ICT projects.

**ICT Governance Board Oversight**

The ICT Governance Board has an assurance role to oversight major ICT projects of agencies. The ICT Governance Board commissions independent stage gate reviews at key milestones throughout the lifecycle of these ICT projects.

**Review**

Agencies must review the progress of ICT projects at key times during the project lifecycle. Appropriate remedial action must be promptly initiated where an ICT project is deviating from its critical path and successful project delivery on time and on budget is at risk.

For authoritative instruction and guidance referenceshould be made to related Treasurer's Directions and associated commentary.

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**AUTHORITIES**

*Financial Management Act (NT)*

*NTG ICT Governance Framework*

**ABBREVIATIONS**

| ICT | Information and Communications Technology |
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| IGB | ICT Governance Board |
| ILG | ICT Leadership Group |
| NT | Northern Territory |
| NTG | Northern Territory Government |

overview – ICT PROJECT MANAGEMENT

ICT projects are often highly complex, risky and costly, with significant business impact. Accordingly, a rigorous and disciplined approach to ICT project management is required and a recognised professional methodology should be applied.

Project management is relevant to all ICT projects and requires process steps to be established that suit the scale and complexity of the ICT project.

The ICT Project Management Framework available at NTG Central, provides advice and guidance to assist agencies to effectively manage their ICT projects.

ICT project oversight involves assurance that agency project management actions will successfully deliver the required outputs on time, on budget and to the business and technical standards specified.

While the tasks within an ICT project may differ depending on the project deliverables (e.g. business applications or infrastructure projects and ICT system or service projects) the core project phases depicted in Figure 1 below are common across ICT projects.



Figure : ICT Project Lifecycle

ACCOUNTABILITY

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| ICT3.1.1 | Each agency Accountable Officer is responsible for the management and delivery of ICT projects in their agency. |

1. Agencies are required to establish effective governance arrangements to oversight ICT projects. The Agency ICT Governance Models Matrix (available at NTG Central) provides a guide to ICT governance models that are suited to a range of agency ICT environments.
2. Agency Accountable Officers are responsible for total cost of their ICT investments, as outlined in Treasurer’s Direction ICT1.3.3.
3. Agencies should ensure escalation protocols are established and followed that will quickly identify and address any emerging project issues. All key project elements need to be documented and reported through agency and project governance structures.

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| ICT3.1.2 | Each agency Accountable Officer is responsible for setting the direction and approach to ICT projects across the agency and monitoring outcomes, outputs, benefits, risks and impacts. |

1. Each agency must manage ICT acquisition, development, implementation and operational risks in accordance with an appropriate risk management methodology in order to effectively mitigate the risks wherever feasible. Treasurer’s Direction ICT1.3.4 refers.
2. Each agency is to provide benefits realisation measurements for the project lifecycle and develop and maintain processes for the realisation, measurement and reporting of benefits through the lifecycle. Treasurer’s Direction ICT1.3.5 refers.

ICT PROJECT MANAGEMENT

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| ICT3.1.3 | **Each agency must use an appropriate and recognised ICT project management methodology throughout the lifecycle of an ICT project.** |

1. Each agency is to determine the project management methodology most suited for the ICT project.
2. The ICT Project Management Framework outlines a methodology for managing ICT projects in the NTG; applying a profile-based approach to consider appropriate management requirements. The ICT Project Management Frameworkis based on the PRINCE2 project management methodology which is recognised and widely used within the ICT industry; adapted where necessary to enable broad application within the NT Government context.
3. The ICT Project Management Framework is supported by a Project Management Toolkit that includes a library of template documents, checklists and reports to assist agencies to effectively manage complex ICT projects.
4. Agency use of the ICT Project Management Framework and Toolkit is encouraged to ensure consistent approaches are applied across the NT Government. Agencies are not obligated to use the framework or toolkit and may modify or select another methodology where the circumstances warrant. The project management methodology used must be able to withstand external scrutiny.
5. An agency’s approach to project management should consider:

* Clear governance structures
* Logical and disciplined management approach
* Defined project scope
* Reporting
* Risk management
* Stakeholder engagement
* Training
* Record keeping
* Solution deliverables.

1. Each agency should define the information architecture and determine the technological direction of the ICT project at the inception of the project. In considering the information architecture and the technological direction, an agency should ensure that the ICT governance principles in Treasurer’s Direction ICT1.3 are observed.
2. ICT project phases depicted in Figure 1 may not all occur sequentially and some projects may necessitate revisiting or reworking parts of earlier phases as new issues emerge. Examples include conducting reviews at multiple points during the project’s lifecycle and revising development tasks following results of testing.

ICT Governance board Oversight

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| ICT3.1.4 | The ICT Governance Board is required to oversight approved agency major ICT projects as directed by the Minister for Corporate and Information Services or government. |

1. The *NT Government ICT Governance Framework* (available at NTG Central) provides that ICT projects are considered major where they meet at least one of the following criteria:

* substantial value (over $5 million)
* high complexity
* high sensitivity
* high risk of implementation failure
* impacts across multiple agencies
* main users are the community/private sector

1. For approved major ICT projects, agencies are to submit the following information to the IGB for consideration and endorsement prior to commencing the relevant project phase:

* technology delivery model
* project management methodology and approach
* project implementation plan
* key project milestones where stage gate reviews would be appropriate
* project budget
* solution and information architectures
* project specific procurement plans (PSPPs) required under the NTG Procurement Framework
* specific plans for key project elements, such as risk mitigation, data migration, communications, change management and training.

1. Some information may be required on multiple occasions as the major project progresses through the required phases.

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| ICT3.1.5 | Each agency managing a major ICT project must regularly report the project’s status to the ICT Governance Board. |

1. The implementation of major ICT projects will be actively monitored by the IGB. The agency responsible for carriage of the project will be expected to report project status to the IGB on a regular basis and at the request of the IGB.
2. The IGB may include ICT project status report information in its reports to the Minister for Corporate and Information Services and/or Cabinet as noted at Treasurer’s Direction ICT1.1.7.
3. ICT project status reports are to include details about the progress of the project; any issues or challenges arising; deviations from the project’s critical path; updated risk assessments; budget tracking; potential impacts on milestones, deliverables and timeframes; and any communications issues.

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| ICT3.1.6 | The ICT Governance Board can commission stage gate reviews, at the agency’s cost, to be conducted during the lifecycle of an ICT project. |

1. Stage gate reviews are formal, comprehensive and independent reviews that assess the project’s performance and viability and determine whether the project can proceed to the next stage. Stage gate reviews supplement the regular project reporting to the IGB noted at Treasurer’s Direction ICT3.1.5.
2. Stage gate reviews examine projects at key decision points to check that the ICT project is on track and will deliver the expected results within the set timeframes and on budget.
3. Stage gate reviews can be commissioned by the agency as part of its project quality assurance and would be managed at agency level for minor ICT projects. For major ICT projects, the IGB is able to independently commission stage gate reviews. This is in recognition of the high cost, high risk and complexity of such projects.
4. Stage gate reviews provide the agency and the IGB with an independent assessment on the progress of a project which helps to ensure that the project is on track and can progress to the next stage of development or implementation. The stage gate review will assist with determining whether the project should continue unchanged, continue with changes or cease.
5. The nature of the stage gate review will depend on the risks associated with the project, the type of ICT project and how far the project is progressed (ie. the milestone/decision point being reviewed).
6. An agency must meet the costs of an IGB stage gate review and is to include costs for stage gate reviews in the project budget.
7. IGB stage gate reviews are complementary to an agency’s internal project assurance processes.

REVIEW

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| ICT3.1.7 | **Each agency must closely monitor the performance of its ICT projects and review the progress of each ICT project at key times during the project lifecycle.** |

1. In reviewing the progress of ICT projects, each agency should measure the progressive benefits and ensure that the progress aligns with the project objective and the agency’s business plan.
2. The key project reviews should align with the ICT project phases identified in the ICT Project Management Framework and Figure 1 above. Reviews would include pre and post procurement phase; development and/or implementation phases (such as the end of a design phase or implementation of a system module); contractual review points; system testing phase and pre and post the go-live phase.
3. It is preferable for agency reviews of major ICT projects to be scheduled in consultation with the IGB. This will avoid additional costs or time delays.

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| ICT3.1.8 | **Each agency must escalate major ICT projects that are deviating from their critical path to the ICT Governance Board and have established escalation protocols within the agency to effectively address and remediate ICT projects.** |

1. Where monitoring of an ICT project indicates that the project is, or is about to, experience difficulties in delivering the approved solution presented in the business case on time, on budget and to the required quality; the difficulties need to be quickly escalated to enable timely remedial action.
2. Many ICT projects will experience issues and encounter unforseen challenges over their lifecycle. Effective project governance will enable issues to be identified and addressed early. This requires vigilant ICT governance committees, strong program management and close project sponsor oversight to enable issues to be identified and addressed early.
3. Detailed analysis of the situation for major ICT projects in difficulty will be undertaken by the IGB, in consultation with the agency, to consider risk mitigation, cost impacts and remedial action that may be needed (eg modifying the project outcomes or timeframes).. In some cases, ICT projects may need to be deferred or delayed or, in extreme cases, terminated.

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| ICT3.1.9 | **Where the ICT Governance Board considers a major ICT project should be substantially modified or terminated, the ICT Governance Board will report its findings to the agency Accountable Officer, the Minister for Corporate and Information Services and Cabinet, as appropriate.** |

1. The IGB will determine and recommend a course of action appropriate to the ICT project’s circumstances and cognisant of the impacts.

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| ICT3.1.10 | **Each Agency Accountable Officer must seek Cabinet approval of proposed actions for major ICT projects that require substantial modification including additional funding, changed outcomes, deferral, or termination.** |

1. In the situation of an agency major ICT project that is experiencing significant difficulties, is deviating substantially from its critical path and is unlikely to deliver a fit-for-purpose solution as planned; the project issues need to be promptly brought to the attention of the IGB, the Portfolio Minister and Cabinet and a new decision on the project sought. This is particularly the case where Cabinet has previously approved the ICT investment (Treasurer’s Direction ICT2.1.5 refers).
2. Following agency notification under Treasurer’s Direction ICT3.1.8 above, the IGB will usually independently review the project’s situation and consider available options, including remedial action. The IGB will prepare advice to Cabinet based on this analysis to assist Cabinet’s deliberative process.
3. The agency must submit to the IGB and Cabinet all information required to make a sound and well informed decision on the project’s future.
4. Substantial modification with changed outcomes would include situations where the ICT project may take a significantly longer timeframe to deliver; project costs may be substantially increased; the final ICT solution differs to that originally approved; or part of the project is not delivered.
5. Agency requests are to align with the instructions at Treasurer’s Directions ICT2.1.4 and ICT2.1.5.

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| ICT3.1.11 | **Each agency is to conduct a post implementation review at the conclusion of major ICT projects and provide the review report to the ICT Governance Board.** |

1. A post implementation review of an ICT project will:

* evaluate the performance of the ICT project’s implementation, including the project team, governance groups, business units and stakeholders
* assess the success of the implementation and the extent to which the solution delivered meets the intended purpose and satisfies the business / customer needs
* determine the benefits realisation by measuring the benefits achieved relative to those planned at the project’s inception (longer term benefits may take time to realise and need assessment at a later date)
* consider effectiveness of the management of resources, time and budget
* identify any opportunities for improvement
* draw out ‘lessons learned’ from the project to improve practices for future projects and allow ICT project management methods and standard operating procedures to be revised.

1. Post implementation reviews are to be managed and funded by the agency and must be conducted by a reviewer with the necessary expertise and independence from the project.
2. While the focus is on major ICT projects, agencies are encouraged to also conduct post implementation reviews on other ICT projects within their agency where lessons can be learned to inform and improve the management of future ICT projects.