STATEMENT OF INTENT

TREASURER’S DIRECTIONS

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Section ICT1.3: Governance - ICT Governance Principles

|  |
| --- |
| A principles-based approach to ICT governance provides structure, guidance and rigour for agency ICT decisions and the implementation of ICT solutions. 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.  **ICT Governance Principles**  The ICT Governance Principles set the core criteria for considering and measuring ICT decisions and activity across government.  **Compatibility**  New ICT solutions to be compatible with existing NTG business systems.  **Collaboration and Standardisation**  Agencies to maximise common solutions and processes across government.  **Cost Effectiveness**  ICT solutions must be cost effective to acquire, implement and operate.  **Risk Minimisation**  Agencies to mitigate ICT development, implementation and operational risks.  **Benefits Realisation**  Proposed ICT solutions must address genuine business need and deliver appropriate benefits.  **Longevity**  ICT solutions must be capable of enduring and providing benefits over an extended period.  **Innovation**  Agencies to consider ICT solutions that support business innovation.  **Accountability**  Agency Accountable Officers are responsible for delivery of ICT projects and management of ICT resources in their agency.  For authoritative instruction and guidance referenceshould be made to related Treasurer's Directions and associated commentary. |

**CONTENTS**

Overview – ICT Governance Principles

Compatibility ICT1.3.1

Collaboration and Standardisation ICT1.3.2

Cost Effectiveness ICT1.3.3

Risk Minimisation ICT1.3.4

Benefits Realisation ICT1.3.5

Longevity ICT1.3.6

Innovation ICT1.3.7

Accountability ICT1.3.8

**AUTHORITIES**

*Financial Management Act (NT)*

*Procurement Act (NT)*

*NTG ICT Governance Framework*

**ABBREVIATIONS**

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

**OVERVIEW** **– ICT GOVERNANCE PRINCIPLES**

The NT Government adopts a principles-based approach to ICT governance to provide structure, guidance and rigour to assist agencies in making sound ICT decisions and in directing the implementation of ICT solutions within the NT Government ICT environment.

The ICT governance principles set the core criteria for considering and measuring ICT activity and for informing decisions, including ICT investment proposals. The principles are the fundamental tenets on which ICT decisions are based and assessed.

Providing one set of cohesive principles for the NTG ensures a consistent and complete approach to the range of ICT decisions within and across agencies. This provides a standard frame of reference for agency Accountable Officers and assists agencies to ensure that all requirements are fully considered.

**COMPATIBILITY**

|  |  |
| --- | --- |
| ICT1.3.1 | **Each agency is responsible for ensuring that ICT solutions are compatible and able to operate in harmony with the existing NTG ICT environment, systems, and architecture.** |

1. The NTG adopts a standard ICT environment across all-of-government which ensures ICT services and costs for agencies are consistent and includes a focus on providing central corporate systems and services to all agencies. This model provides economies of scale benefits and operational efficiencies for all agencies. Treasurer’s Direction ICT1.1.1 refers.

**COLLABORATION AND STANDARDISATION**

|  |  |
| --- | --- |
| ICT1.3.2 | **Each agency must maximise common solutions and processes through sourcing ICT solutions that service the needs of all or multiple agencies and the community.** |

1. Agencies are encouraged to collaborate across government or with other agencies through sourcing ICT solutions that service the needs of all or multiple agencies and that maximise value to government. This approach leverages and enhances economies of scale to increase efficiency and reduce costs.
2. Agencies share ICT similarities across government and reuse or sharing of solutions should be the default position. Standardisation for any major investments in ICT systems is required unless the agency has unique or specialised business needs.

**COST EFFECTIVENESS**

|  |  |
| --- | --- |
| ICT1.3.3 | **Each agency must ensure that its ICT solutions are cost effective to acquire, implement and operate, taking into account the total costs of the solution.** |

1. Prior to committing to upgrading, replacing or acquiring a new ICT solution, each agency is to determine and consider the whole of life costs, including implementation, training, maintenance, support and enhancement costs.
2. Total cost of ownership includes hardware and software acquisition, management and support, communications, end-user expenses, data migration, change management, training and other related business costs.
3. Total cost of ownership amounts are to be identified in the business case for an ICT investment, advice to the IGB and in funding submissions. Treasurer’s Direction ICT2.1.2 refers.

**RISK MINIMISATION**

|  |  |
| --- | --- |
| ICT1.3.4 | **Each agency must manage and mitigate ICT acquisition, development, implementation and operational risks.** |

1. Each agency must adopt an appropriate risk management methodology so as to mitigate ICT risks to the NTG.
2. The methodology should include strategic, operational and resource planning activities to manage and reduce risks. An approach to manage the escalation and mitigation of major risks and issues should be included in the methodology.
3. ICT risk management methodology and practices should align with established agency risk management models and requirements specified in the Treasurer’s Directions.

**BENEFITS REALISATION**

|  |  |
| --- | --- |
| ICT1.3.5 | **Each agency must ensure that ICT solutions address a genuine business need and deliver continuing benefits and efficiencies over their lifecycle sufficient to warrant the investment and ongoing operation.** |

1. Each agency is to develop a business case for major ICT proposals and projects that defines the benefits expected to be realised, aligned with the agency’s strategic and business goals. Treasurer’s Direction ICT2.1.2 refers.
2. Benefits, both quantitative and qualitative, should be measurable and linked to performance data and reporting frameworks.
3. Many government ICT projects will have a mixture of soft and hard benefits and will not be well suited to a commercial return on financial investment focus for measuring solution benefits. Public sector ICT projects can have benefits that are altruistic in nature and be expressed in broad community based outcomes that will be delivered over the long-term. Monitoring and assessing such benefits will require a broader consideration and a lengthened review cycle.
4. In reporting on major projects to the IGB, agencies are to include the progress of key deliverables and benefits as they are realised, as outlined in Treasurer’s Direction ICT3.1.5.

**LONGEVITY**

|  |  |
| --- | --- |
| ICT1.3.6 | **Each agency must ensure ICT solutions are capable of enduring and continuing to provide benefits over an extended period, consistent with the investment to be made.** |

1. Each agency is to ensure the longevity and efficiency of ICT solutions, through efficient use of resources, services and external support.
2. Agencies should consider the life span of ICT systems and, where required, have a plan for service continuity at the end of life of the current system. For major business systems that are vital to the agency’s delivery of services, assessment of the system’s longevity, risks, future investments and business plans (often termed a ‘system roadmap’) will be needed.
3. Agencies should incorporate requirements identified in system roadmaps for their major ICT business systems in their agency strategic plans and annual business plans. The IGB can request agency ICT strategic plans as part of its across government ICT oversight role.

**INNOVATION**

|  |  |
| --- | --- |
| ICT1.3.7 | **Each agency must consider appropriate technologies and solutions that support business innovation.** |

1. When developing and implementing ICT solutions an agency should consider how the NTG manages information, delivers services and engages with the community.
2. The NTG supports ICT solutions that harness opportunities to deliver benefits across all-of-government and to the Territory community.
3. Innovation that improves government services, enhances user experiences and/or delivers efficiencies is encouraged. To be considered for adoption, innovative approaches must be compatible and in accord with the other ICT governance principles.

**ACCOUNTABILITY**

|  |  |
| --- | --- |
| ICT1.3.8 | **Each agency Accountable Officer is responsible for the delivery and management of ICT, including ICT projects, in their agency.** |

1. Accountable Officers must act in accordance with the *Financial Management Act* and *Procurement Act*.