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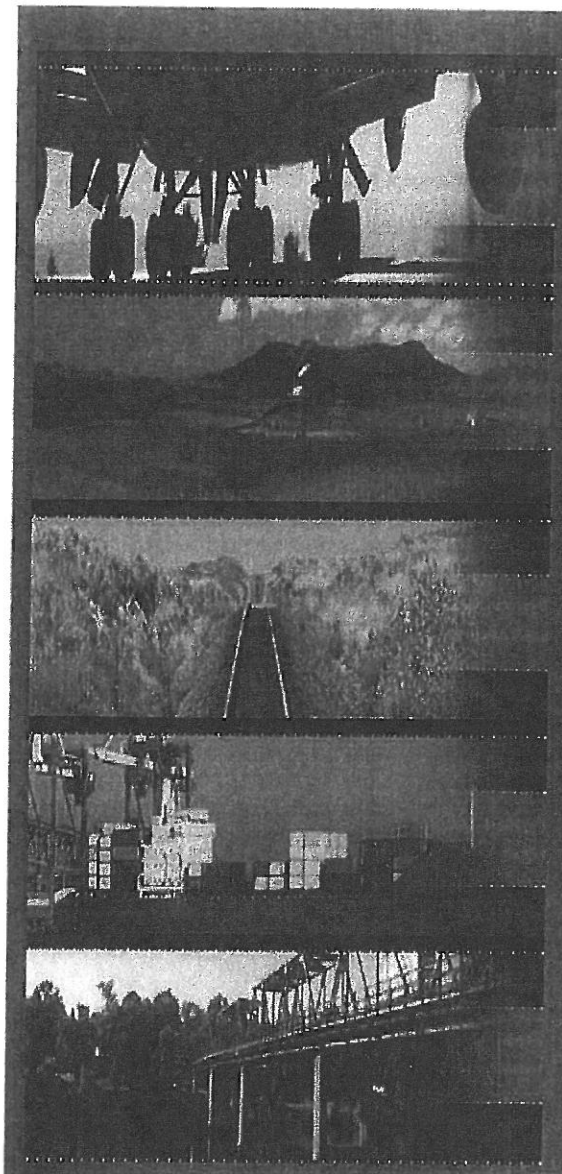

Department of Infrastructure, Transport, Regional Development and Local Government

'Lessons Learnt' Review

Final Report

2009-10

Conducted: April 2010 -May 2010

Draft Report June 2010

Final Report: June 2010

This report contains 32 pages

Third Party Reliance

This internal audit report has been prepared at the request of the Audit Committee of the Department of Infrastructure, Transport, Regional Development and Local Government in connection with our engagement to perform internal audit services as detailed in the contract dated 23 July 2007. Other than our responsibility to the Department, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

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We believe that the statements made in this report are accurate, but no warranty of accuracy or reliability is given in relation to information and documentation provided by the Department's Management and personnel.

Inherent Limitations of Internal Audit

Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. As such, except to the extent of sample testing performed, it is not possible to express an opinion on the effectiveness of the internal control structure. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. The internal audit findings expressed in this report have been formed on the above basis.

Contents

1 Executive summary

1.1 Background

As part of the 2009-10 Internal Audit Plan, Internal Audit was requested to conduct a high-level post-implementation review (PIR) over the following projects and government initiatives:

- Aviation White Paper
- National Transport Regulator Reform
- Transport Security Plan Assessment Compliance Environment (TSPACE)

Our review of National Transport Regulator Reform focused on the Heavy Vehicle Regulatory Impact Statement (RIS) preparation.

1.2 Objective

The objectives of this engagement are to:

- Determine whether the selected projects had an adequate project management framework in place to deliver agreed objectives on-time and on-budget; and
- Identify any better practices or opportunities for improvement in the delivery of future projects.

Given the nature of the activities reviewed the audit focused on lessons learnt rather than post-implementation effectiveness as is the case with common IT system post-implementation reviews.

1.3 Conclusion

Internal Audit was asked to consider the following:

Determine whether the selected projects had an adequate project management framework in place to deliver agreed objectives on-time and on-budget.

The projects reviewed by Internal Audit did not all have formal project management frameworks or practices in place. Notwithstanding, these projects were successful in meeting delivery expectations in terms of time, scope, and content/system functionality.

Not surprisingly, effective leadership, communication within small teams, stakeholder engagement and hands-on involvement by senior officers effectively compensated for the absence of formal planning and documentation in the activities reviewed. As projects/activities became more complex, involved greater numbers of stakeholders/users or where risk levels increased, the benefits of better practice planning, scheduling and monitoring were more apparent.

Identify any better practices or opportunities for improvement in the delivery of future projects.

Internal Audit identified a large number of better practice opportunities from the three activities reviewed. They varied in their nature and impact given the variety and size of the activities themselves.

These 'lessons learnt' are detailed in Section 3 of this report and culminate in one business improvement recommendation in respect of how the Department leverages on these learnings for future projects.

[redacted]

Partner
KPMG

[redacted]

Chief Operating Officer
Department of Infrastructure, Transport, Regional Development and Local Government

2 Summary of findings

2.1 Background

The projects and government initiatives selected for this review were:

- **National Aviation White Paper** - On 16 December 2009 the Australian Government released the National Aviation Policy White Paper which brings together all strands of aviation policy into a single, forward-looking document providing planning, regulatory and investment certainty for the aviation industry out to 2020 and beyond.

- **National Transport Regulator Reform** - Since 2008, the Infrastructure and Surface Transport Policy Division have been progressing reforms for maritime, heavy vehicle and rail, with the focus of creating national regulators for these (currently State based processes). This was progressed to the Council of Australian Governments (COAG) in 2009, with the Department given responsibility to implement these initiatives (due 2012). This review focused on the Department's role in the preparation of the heavy vehicle RIS.

- **Transport Security Plan Assessment Compliance Environment- Phase 2** (TSPACE II) - The TSPACE information technology platform was developed during 2005-06 and went live in early 2006-07. This system manages the lodgment, assessment and approval of all transport security plans across offshore, maritime, air cargo and aviation transport modes. Phase 2 of the project involved enhancements to TSPACE to improve the reporting abilities of the system and provide enhanced user experience.

Our report focuses on a number of lessons learnt which we believe may assist in the efficient and effective delivery of future projects. For the puposes of this review, we have used the following key elements of the project management framework:

- Project management
- Governance and risk management
- Resourcing and knowledge management
- Stakeholder consultation
- Post-implementation monitoring

The remainder of Section 2 summarises the key observations and lessons learnt identified during this Internal Audit. Section 3 outlines our audit recommendations.

Sections 4 – 6 discuss the individual project observations in greater detail.

2.2 Project Management

2.2.1 Observations

A project plan was not prepared for the heavy vehicle RIS and while a Project Definition Document was prepared for the Aviation White Paper, this was only after the release of the Green Paper. The objectives of the projects were communicated within the project teams.

For TSPACE II a Project Initiation Document, Stage Plans and Project Disclosure Document were prepared. These documents outlined the purpose of the project, project budget, timeline, stakeholders, preliminary risk assessment, and project governance.

2.2.2 Lessons learnt

While there was a greater degree of formality in the management of the TSPACE II project this is not surprising given the nature of the project and the maturity of project management practices for IT projects.

The experiences of the Aviation White Paper project team however demonstrate that these project management principles can be effectively applied to policy development projects. A project plan provides a structured approach to undertake a project and is a scalable document which can be modified to suit the nature and size of the project.

The following elements should be considered when preparing a project plan:

- What is the project expected to deliver; what are the objectives?
- A project breakdown into manageable stages which is based on the deliverables / outputs and will help ensure project is on track
- A baseline against which progress can be measured
- The time constraints, key dates and milestones
- Resource needs
- A list of people who are accountable for the various activities
- Risk analysis and management plan

A project management plan also provides a basis on which to evaluate the project upon completion. An example project plan is provided at Attachment A and this can be used as a basis for small projects and can be scaled up to suit the size and complexity of the project.

The absence of this document was not an issue in the projects reviewed as it was compensated by hands-on-leadership and good communication within small teams.

Internal Audit have shared the experiences of the White Paper team in relation to the importance placed on project documentation with the heavy vehicle RIS team, who are currently in the next stage of the regulatory reform process.

2.3 Governance and Risk Management

2.3.1 Observations

A risk assessment and management plan was not documented for the National Transport Regulator Reforms heavy vehicle RIS and while a risk assessment was undertaken at the commencement of the Aviation White Paper, this did not include a security plan, which was only prepared after the release of the Green Paper.

A risk assessment was conducted at the beginning of the TSPACE II project however the risks identified were not monitored throughout the project.

Project governance for all three projects was via project boards and steering committees.

2.3.2 Lessons learnt

Risk management is an important process to ensure projects are designed and implemented in a way that promotes the effective delivery of objectives, an appropriate usage and allocation of resources and transparent decision making.

Internal Audit acknowledges that whilst formal risk assessments were not always undertaken, this did not impact on the delivery of the White Paper and heavy vehicle RIS. However, having a formal risk/security plan for the White Paper was seen as essential in protecting staff in the event of leaks of sensitive information.

We also observed that it is important to consider the nature of the projects and the stage at which they are at in their life cycle. As projects become more complex, larger and need to coordinate multiple inputs the benefits of more formal risk analysis increases. For example while a risk assessment and risk management plan may not have been necessary for the preparation of the heavy vehicle RIS, the next stage of the project is implementation. Given the complex nature of this next stage, undertaking a risk assessment may prove valuable to the project team.

Project governance was seen as effective for all projects and the nature of these arrangements appeared appropriate for the respective projects. Additionally executive buy-in and effective leadership were also identified as key success factors for these projects.

2.4 Resourcing and Knowledge Management

2.4.1 Observations

No formal analysis was undertaken as part of project planning to identify the necessary staffing structures and skills required to deliver the Aviation White Paper and the National Transport Regulator Reforms. This was largely a result of time constraints which did not allow for detailed planning documentation.

Whilst the Aviation White Paper team, has been disbanded documentation relating to the project is easily available thus supports better knowledge management. Similarly, the RIS preparation process has been documented.

As discussed earlier, the TSPACE II project had comprehensive documentation in place, including a Project Initiation Document, Stage Plans and a Project Disclosure Document.

2.4.2 Lessons learnt

Discussions with project staff on all three projects identified that having people with the right skills (or ability to engage consultants with the right skills) was considered as or more important than the number of staff of involved.

Notwithstanding the significant time pressures involved, all project teams recognised the importance of having key documentation available for easy reference at a later date by staff who may not have been involved in the early stages of the project.

2.5 Stakeholder consultation

2.5.1 Observations

Stakeholder engagement and consultation was seen as a critical success factor in all three projects. Ensuring stakeholders felt consulted throughout the process and were allowed to provide their input contributed to the success of the projects. All projects appeared to have sufficient stakeholder engagement which was documented.

In all three projects of the project teams did not formally seek stakeholder feedback on the process (as opposed to the feedback on the policy/IT system).

2.5.2 Lessons learnt

Feedback from stakeholders on the process would provide the project team and the Department with continuous improvement opportunities.

It is important to note that policy stakeholders are not like customers or system users as is the case with most projects. It is however, important to formally gather feedback as part of any change implementation process to allow for continuous improvement. We note that this should be directed at the process and not the output, as policy development inevitably has a range of perceived "winners" and "losers".

2.6 Post-implementation monitoring

2.6.1 Observations

Of the three projects reviewed only TSPACE II conducted a review of the project post-implementation and reported back to the Project Board on the original objectives, timelines and budget. This information was captured in the Project Closure Document.

2.6.2 Lessons learnt

An evaluation against the project's stated objectives is an important mechanism in assessing whether the project was successful at achieving its objectives and outcomes, with subsequent learnings also being a useful input to aid in future project planning, design and delivery decision making.

When such an evaluation is undertaken, disseminating the lessons learned to a wider audience may assist the future planning of other initiatives.

3 Recommendations

3.1 Capitalising on better practices for future projects

Internal Audit identified a number of better practice opportunities for the Department. They vary in their nature given the variety and size of the activities themselves and are summarised below.

The Department should consider:

- developing scalable project management templates (e.g. project plan). This will guide project teams in examining the various aspects of the project which should be considered before commencing a project and help monitor the progress of the project. Where these documents exist their format should be reviewed for applicability to non-IT projects and for differing sized activities.

- a central point of reference to facilitate knowledge management in respect of running successful projects. This will help the Department apply the learnings and support more effective connection of:

  - People to content – development of a central knowledge repository will give staff a central point of call for project management templates, advice and access to project management skills. This will also ensure that knowledge of a project is retained within the Department and not just with specific individuals.

  - People to people – that is, identifying staff who may be able to help other project teams in terms of sharing their experience, 'what works', potential pitfalls and other people to contact either internally or externally – this might include consultants, subject matter experts or other agencies who have undertaken similar projects. This would require project teams to evaluate projects against the objectives and acknowledge what worked well/what didn't work well. Furthermore a mechanism to share these learnings and better practices to a wider audience (e.g. Collaboration sites) should be developed to ensure these learnings are applied to future projects.

  We understand the Major Infrastructure Projects Office (MIPO) initiative may largely address these matters.

- providing staff with access to basic project management training (accepting that the Department already provides a Diploma of Project Management). This will help staff identify the 'must have' elements of project management without over-burdening the project with administration and process.

- developing a list of subject matter experts in areas in such as RIS preparation, green/white paper preparation, and program design and implementation. Making this list available to staff will help connect people to people.

- developing a formal post-implementation review process for non-IT projects. Project management principles can be effectively applied to policy development projects however the mechanism for evaluating success is different to an IT project. The post-implementation review should focus on the process and not the output.

3.2 Management response

Management Response: The audit has been conducted well and there is agreement with the recommendations made for capitalising on better practices for future projects.

Responsible Officer: [redacted] General Manager, Governance and Reporting Branch, Corporate Services Division

Deadline for Implementation: 30 September 2010

Description of Action: Corporate Services, through the Governance and Reporting Branch, will have the initial responsibility for implementing the recommendations. Corporate Services will work closely with the Major Infrastructure Projects Office to include the recommendations into current practices and to promote further use of the Department's project management methodology. In addition, Governance and Reporting will be developing a Program Governance Framework in co-operation with the Major Infrastructure Projects Office who will develop Better Practice principles for Project Management in relation to program administration and delivery.

4 Aviation White Paper

4.1 Project context

Aviation White Paper	
Overview	On 16 December 2009 the Australian Government released the National Aviation Policy White Paper. This represents the aviation policy statement of the Australian Government, bringing together all strands of aviation policy into a single, forward-looking document providing planning, regulatory and investment certainty for the aviation industry out to 2020 and beyond.
Maturity – stage in management lifecycle	An Issues Paper was prepared as a basis for consultation and engagement and represented the first stage in developing an Aviation White Paper. Over 290 submissions were provided responding to the Issues Paper. Following public feedback on the Issues Paper, on 3 December 2008, the Government released an Aviation Green Paper outlining a range of policy options and possible reforms for the future of Australia's aviation industry. The release of the Green Paper provided a second opportunity for public/stakeholder input with over 230 submissions received on the policy options it contained. Drawing on these submissions the Government finalised and released the Aviation White Paper on 16 December 2009.
Resources	A Project Implementation Team was formed under the Aviation White Paper Branch. The Team's primary role was to coordinate between the different areas within the Department, the Minister's Office and external stakeholders to deliver the Aviation White Paper in accordance with the Minister's expectations and timeframes. By the time of the release of the Green Paper this team consisted of 5 staff members.
Stakeholders	A large number of stakeholders/interested parties participated in the Green and White Paper processes. These stakeholders had high and diverse expectations of the White Paper.

4.2 Detailed findings

Observations	Comments
Project Management	
A Project Definition Document was prepared after the release of the Green Paper. It was only at this time that the objectives and scope of the project were formalised along with the responsibilities of the Project Implementation Team.	Given the size and nature of the task at the Issues Paper stage it was not considered necessary to document project scope etc. However, from the time of submissions to the Green Paper a Project Definition Document may have assisted in scoping the project and defining the responsibilities of the Project Implementation Team.
Governance and Risk Management	
A risk assessment was conducted after the Issues Paper was released however it did not include a detailed security plan as was subsequently prepared for the White Paper.	A security plan may have assisted with the mitigation of information security risks associated with the Green Paper "leak".
A high-level steering group was established to formalise governance arrangements for the Green Paper. This group was formed from the existing *Secretaries' Transport Security Working Group*. The guidance given by this steering group was limited as the group was primarily focused on their existing responsibilities (i.e. aviation security) whereas the Green Paper had a broader coverage. This Group met only once but communicated regularly to coordinate and review the Green Paper.	Having a steering committee whose primary responsibility is to oversee the project is important in guiding the project and ensuring appropriate governance. Committee members should have skills/interests in all key scope areas of the policy initiative/project to maximise effectiveness as evidenced by the Project Steering Committee formed after the release of the Issues Paper.

Observations	Comments
Project governance for the White Paper phase was formally documented as part of the Project Definition document. A separate Project Steering Committee was formed to ensure a whole-of government approach to the White Paper and a Project Board to provide whole-of-Department oversight and guidance to the White Paper. The Project Board met three-weekly.	The Project Definition document assisted in guiding the project team. It provided more accountability to the team while also delineating the responsibilities of the different parties.
There was a leak of part of the Green Paper prior to its release. This led to an investigation which found that there were certain security gaps associated in the handling and storage of the Green Paper and the supporting systems of the Department. As a consequence a security plan was prepared for the White Paper phase.	The procedures and protocols established following the release of the Green Paper assisted in protecting Departmental staff following a further leak during the White Paper release.
A Detailed Work Program was also prepared for the White Paper task which identified the key processes to be undertaken and timeline for delivery of the process, who had responsibility and the current status.	The work program enabled the project team to monitor the completion of individual tasks.
Resourcing and Knowledge Management	
Resourcing for the project was a gradual process of full-time involvement. By the time of the release of the Green Paper there was five staff on the Project Implementation Team. By the time of the release of the White Paper only two team members were remaining.	A central project management office was identified as being important to the delivery of the project. Having a dedicated team earlier in the process may have been beneficial. While the team was able to source additional staff when required this may not always be the case and more forward resource planning may assist resources being secured for the project at the times they are required.

Observations	Comments
The number of staff in the Project Implementation team was considered adequate and the skills/levels or the team were appropriate.	Having people with the right skills/knowledge was considered as/more important then the number of people in the team.
The tight deadline for the delivery of the project was recognised as a risk and accepting stakeholder submissions after the deadlines increased this risk.	It was recognised that there is a balance between firm deadlines, which will help in preventing delays, and being flexible in order to maximise stakeholder engagement.
Stakeholder Consultation	
295 written submissions were received from stakeholders on the initial Issues Paper and 230 submissions were received on the Green Paper. The Department also conducted numerous face-to-face sessions with stakeholders.	Early and regular stakeholder engagement at all stages of development was seen to be vital to the success of the process.
A Stakeholder Consultation Plan was prepared for the White Paper phase. This identified the stakeholder, when the Department was to meet with them and the responsible officer.	The Consultation Plan provided for more structured stakeholder engagement.
Branch Heads were responsible for chapter content of the White Paper and therefore determined which issues should be included as summaries from submissions.	The decision making process was documented in the Cabinet Submission and decision process which allows for transparency within the context of government decision making.
Post–Implementation Monitoring	
Major stakeholders were invited to an industry briefing immediately after the release of the White Paper. The Department received generally favourable feedback on the White Paper process at that forum and in correspondence. We were advised that stakeholders were satisfied with the level of consultation. No formal feedback of the process was undertaken.	Stakeholder feedback on the process may have assisted in guiding future stakeholder consultation processes.

5 National Transport Regulator Reform

5.1 Project context

National Transport Regulator Reform	
Overview	The Infrastructure and Surface Transport Policy Division have been progressing reforms for maritime safety, heavy vehicle and rail safety, with the focus of creating national regulators for these (currently State based processes). This was progressed to the Council of Australian Governments (COAG) in 2009, with the Department given responsibility to implement these initiatives (due end 2012). Our review of National Transport Regulator Reform focused on the heavy vehicle Regulatory Impact Statement (RIS) preparation.
Maturity– stage in management lifecycle	In May 2008 the Australian Transport Council (ATC) considered a 'National Transport Strategy'. Part of this strategy included national transport regulatory reforms. In September 2008, the Acting Prime Minister (as COAG chair) requested the ATC prepare three Regulatory Impact Statements (RIS) for national regulatory frameworks for maritime safety, heavy vehicles and rail safety. The RIS's were required to be reported to the ATC early in 2009, providing for a four month period for the research, development, consultation and publication of the documents. In May 2009 the ATC endorsed the 3 RISs and in July 2009 COAG agreed to implement the national regulation reforms.
Resources	The Australian Maritime Safety Authority (AMSA) was responsible for preparing the maritime safety RIS, the National Transport Commission was responsible for preparing the rail safety RIS and the Department was responsible for preparing the heavy vehicle RIS. The heavy vehicle RIS was prepared by one staff member from the Department, with direct oversight by an Executive Director. The Office of Best Practice Regulations (OBPR) within the Department of Finance and Deregulation reviewed the RIS for conformity with COAG RIS requirements.
Stakeholders	The stakeholders were identified as the State and Territory Governments and the heavy vehicle and ancillary (e.g. farming) industry. The two staff members from the Department conducted a consultation program that included face-to-face meetings with stakeholders in all states and territories, an on-line submission mechanism, questionnaires, response 'templates' and a telephone feedback option.

5.2 Detailed findings

Observations	Comments
Project Management	
Given time and resource constraints no objectives, scope, milestones or project resources were formally documented at the beginning of the project (i.e. the development of the heavy vehicle RIS). The steering committee (see below) had fortnightly oversight of the progress and content of the heavy vehicle RIS during the process.	Given the small project team (i.e. two staff members) it was not considered necessary to formally document a project plan. The project team considered there was limited value in documenting a project plan when there were clearly defined resources, clear COAG agreed objectives and timeframes, clear RIS requirements and good lines of communication between the project officer and the Executive Director.
Governance and Risk Management	
No risk assessment or risk management plan was documented. Clear areas of risk were identified such as the lack of 'in-house' expertise in constitutional law and cost-benefit analysis.	The project team regularly and informally discussed the risks/issues associated with the project but again given the size of the team and time constraints a formal risk assessment may not have provided significant benefits. Identified risks were managed by purchasing the appropriate expertise in key policy areas which was considered a key factor in the successful completion of the project.
A heavy vehicle steering committee was formed (chaired by the Executive Director of the (then) National Transport Strategy Division) which comprised senior representatives from all State and Territory transport and/or road agencies. These meetings were originally held monthly but became fortnightly to ensure appropriate governance, input and guidance from all governments who were involved in developing the RIS.	The level of interaction with the steering committee provided appropriate guidance to project team and input into the RIS.

Observations	Comments
The policy content and progress of the heavy vehicle RIS was reviewed fortnightly by the steering committee. The office of Best Practice Regulation (OBPR) reviewed the RIS for compliance with COAG RIS requirements.	A key element of the project's success was early and regular contact with the OBPR to ensure the RIS was meeting the technical requirements. Regular contact with the Steering Committee provided strong governance of the project.
The project team have prepared files with key documentation covering the history of the initiative from the time COAG requested the preparation of the RISs. This will assist with knowledge transfer and retention. Broader knowledge of the project and history of the initiative vests largely with two key staff members. These staff members continue to be involved with the project and work in the Department.	Appropriate levels of documentation serve to retain knowledge in the event key staff leave the project.
Resourcing and Knowledge Management	
No formal project methodology was applied. Further, there was no documented up-front planning conducted in terms of resource needs, project plan, critical path etc. As indicated above, the absence of this documentation did not appear to have impacted the project outputs and outcomes.	While consultants were engaged to assist in some aspects of the process, a better allocation of the resource needs (e.g. periods of peak volume of activity) may have assisted in the efficient conduct of the project.
Stakeholder Consultation	
The two staff members from the Department conducted a consultation program that included face-to-face meetings with stakeholders in all states and territories, an on-line submission mechanism, questionnaires, response 'templates' and a telephone feedback option. These sessions were attended by industry representatives, training organisations, owner/operators, and agencies of each State and Territory. In total 217 people attended these sessions from 147 organisations.	Face-to-face stakeholder engagement was considered beneficial to the consultation process. The need for stakeholder consultation in order to comply with the RIS requirements and stakeholder expectations was recognised early and adequately addressed.

Observations	Comments
A second round of stakeholder consultation was required as the cost-benefit analysis required to be incorporated into the RIS was not completed until after the first round of consultations. In this second round written requests for input were sent to peak bodies, those who attended the first round of consultations, those who submitted initial written responses or who had contacted the Department in any way in relation to the RIS. A condensed two-week period of consultations was conducted and a further nine written submissions were received.	Time constraints resulted in having to release the draft RIS before the cost-benefit analysis was completed and led to a second round of consultations. Those time constraints included the fact that the RIS project coincided with defined industry 'shut-down' periods that made collection of data for the cost-benefit analysis difficult.
Post–Implementation Monitoring	
The heavy vehicle RIS was successful in meeting delivery expectations in terms of time, scope, and content.	Effective leadership, communication within small teams, and stakeholder engagement effectively compensated for the absence of documented planning.
While no feedback on the process was actively sought from the stakeholders the project team did receive feedback via the consultation process. We were advised that the Department received some criticism for conducting the stakeholder consultation over the Christmas/New Year period. This feedback was captured and summarised by the project team.	Stakeholder feedback on the process assisted the team in conducting the consultations and may assist in guiding future stakeholder consultations undertaken by the Department. The dates for stakeholder consultations were unavoidable due to the tight deadline.

6 TSPACE II

6.1 Project context

Transport Security Plan Assessment Compliance Environment – Phase 2 (TSPACE II)	
Overview	The TSPACE information technology platform was developed during 2005-06 and went live in early 2006-07. This system manages the lodgement, assessment and approval of all transport security plans across offshore, maritime, air cargo and aviation transport modes. TSPACE also manages the results of transport security audit and compliance activities across the country. TSPACE provides a single, cross-modal workflow and management mechanism for the lodgement, review, approval and maintenance of transport security plans. It also supports compliance and audit activities and acts as a database for Office of Transport Security's customer and contact information. Phase 2 of the project involved enhancements to TSPACE to improve the reporting abilities of the system and provide enhanced user experience.
Maturity– stage in management lifecycle	The TSPACE information technology platform was developed during 2005-06 and went live in early 2006-07. Phase 2 of the project commenced in August 2007 with an Investment Proposal and was completed in September 2008.
Resources	A Stage Plan was developed for each stage of the project. This identified the number of staff and the time requirement of each staff that were required.
Stakeholders	The stakeholders were identified in the Investment Proposal document as the OTS Division and internal user acceptance testing was conducted.

6.2 Detailed findings

Observations	Comments
Project Management	
The objective of the project was captured in the Investment Proposal, Project Initiation Document and Stage Plans. These documents outlined the purpose of the project, project budget, timeline, stakeholders, preliminary risk assessment, and project governance.	Up front planning including scope, budget, resource needs etc of the project assisted in the efficient and effective delivery of the project.
Governance and Risk Management	
There was no Project Risk Management Plan. A Risk Assessment was conducted at the beginning of the project (detailed in the Project Initiation document) but the risks identified were not monitored during the project implementation. Risks/issues/concerns were discussed at the regular Project Board meetings but did not cover all the risks identified at the start of the project and tended to focus more on current issues rather than all key risks. The weekly status reports included reporting on time, budget and deliverables.	Although the risk assessment was not regularly revisited, risk was a standard agenda item for the Project Board meetings. It is important to ensure that such discussions cover identified key risks (e.g. to ensure they are still being appropriately managed) as well as current issues.
Quality assurance of the project was the role of the Project Assurer whose responsibility was to monitor the project's performance and products, independently of the Project Manager, on behalf of the Project Board. Discussions indicated that this role only looked at deliverables before they were signed off by the Board.	Independent assurance was seen as valuable aspect of the monitoring the process.
The Project Board did not meet monthly as agreed at the start of the project as it was difficult to get this senior group of people together. Overall six board meetings were held over the period of the project.	The infrequency of the Project Board meetings did not impact the delivery of the project the project.
Roles, responsibilities and the reporting structure were outlined in Project Initiation document.	Delineation of responsibilities assisted with ensuring accountability and governance.

Observations	Comments
Resourcing and Knowledge Management	
Stage Plans outlined the resource needs of each stage of the project along with the roles and responsibilities of each team member.	Breaking the project into defined stages ensured that upgrades were manageable for both the project team and end-users. The Stage Plans also ensured accountability of the project team to the Project Board.
A GANTT chart for each stage of the project was prepared. Weekly team meetings were held where the team reported back on the status of the project and performance against the timeline. The project was delivered on time and under budget.	Weekly status reports assisted in ensuring the timeline was being met and ensured accountability in the project team. Regular project team meetings also assisted in efficient problem resolution.
Resources were used because they were available rather than considering if they were suitable for the project.	Having people with the right skills and knowledge is as (or more important than) the number of people.
Stakeholder Consultation	
User Acceptance Testing (UAT) was conducted by the Business Areas. Business areas were advised to test the functional specifications and business requirements in the test environment. Sign-off on UAT was required in the form of Change Request to move from Test environment to Production.	For IT projects, effective UAT is critical to ensuring that the end product is suitable for a user's needs.
IT considered OTS's (i.e. the main stakeholder) early commitment and engagement to be the single most important factor in the success of the project.	Stakeholder support for a project is critical to its objectives being achieved.

Observations	Comments
A Communications Plan was prepared and regular meetings were held with team members.	Dissemination of information to all team members (e.g. via a central repository) is important so that people not directly involved can gain an appreciation of the bigger picture and comment if necessary.
Post–Implementation Monitoring	
A Project Closure Document was prepared containing a review of performance against budget, performance against the schedule, quality review and a "lessons learnt" summary.	The Project Closure Document gave the Project Board confidence that the project objectives had been met.
There was no formal mechanism to obtain stakeholder satisfaction with the project as a whole. Feedback was received informally via having client representatives on the Project Board and the IT staff worked as part of the client team (rather than separately).	Stakeholder feedback on the process may have assisted in guiding future projects and also assisted in gathering 'lessons learnt' on how the delivery of a project (rather than overall outcomes) can be improved. KPMG sought feedback from an internal OTS stakeholder to seek their views on how the project was run and delivered. Comments were complimentary of the process, noting that the regular communication between OTS and the project team allowed for sufficient input. These discussions suggested that training, while suitable, could have been undertaken in a more structured manner.

Attachment A – Example Project Plan

Department of Infrastructure, Transport, Regional Development and Local Government

Project Management Plan
Project XYZ

Reference:
Date: 2 June 2010
Version: v1.0

Produced By:
Name:
Phone:

This report contains 9 pages
Appendices contain 1 page

Contents

1. INTRODUCTION

1.1. Objective

The project management plan briefly summarises the objectives, scope, project tasks and deliverables for Project XYZ.
It provides a firm basis of understanding for .....

1.2 Update of the Plan

The document will be updated if and when contract changes, schedules are revised organisation changes or other changes occur which invalidate the broad approach being undertaken.

1.3 Critical Success Factors

Critical success factors for the project must remain uppermost in the mind of both the Department and project team.
These factors include:

- A clear understanding of the project end objective – being to .....
- High user involvement
- High visibility of the progress and issues through a strong reporting procedure and project issue reporting to key stakeholders.

The project team must also be mindful of the team oriented success factors. These include:

- A co-operative team approach with clear work breakdown structures and delineation of responsibilities.
- Commitment to time targets and budgets.
- Open communication within the team and with key stakeholders (including IT, business areas and the CFO).

2. MANAGEMENT SUMMARY

2.1 Project Goals and Potential benefits

2.2 Project Background

2.2.1 Overview and Current Situation

2.2.2 Principal Parties and Stakeholders

The principal parties involved in this project are:

2.3 Project Requirements and Scope Summary

2.3.1 Scope

The scope of work includes:

- Project management, planning and control.
- Framework design and implementation.
- Questionnaire development and implementation.
- Business line / ICT input and approval.
- Stakeholder communication.

The framework will cover both legacy and ICP control environments.

3. PROJECT STAGES, KEY DELIVERABLES & MILESTONES

3.1 Project resources

The following team members have been identified:

KA:

LS:

TH:

PR:

PT:

EQ:

3.2 Project Stages

The project will be logically divided into the following distinct project stages. Stages may overlap, or be concurrent where appropriate. The Gantt schedule will clearly show these logical stages and their end-review points. Each stage will have a specific review point.

3.2.1 Project management, planning and control

Item	Team member	Comments
Project Plan	TH	
Gantt Schedule	TH/LS	
Weekly Progress Reports	TH	
Agendas and Minutes from meetings	LS	
Budget reporting	TH	

3.2.2 Framework design and implementation

What	Why	When	Who
Review of current framework elements	Familiarisation framework	April 2010 (complete)	
Initial discussions with business lines	Stakeholder engagement and input	April 2010 (complete)	
Consideration of framework alternatives	To ensure appropriate consideration of better practices available	May 2010 (complete)	
Obtain endorsement from CFO	Executive ownership	June 2010	
Brief key stakeholders • Audit Committee • OPS / ICT	Clear communications of proposal and to provide stakeholders with an opportunity for input.	June 2010	

3.2.3 Stakeholder Communication

What	Why	When	Who
Define communication needs	Identify which parties require updates / status reports, briefings, presentations awareness sessions	June 2010	
Develop briefing notes	Clear and concise communication	As required	

3.3 Major Milestones

Key milestone	Planned date

3.4 Project Schedule

The draft project schedule is attached in Appendix A. This represents the key stages and milestones only. It will be updated to reflect project change and distributed at each project management review indicating progress and variance against plan.

4. ASSUMPTIONS, RISK AND MITIGATION

4.1 Assumptions and Issues

The following assumptions apply:

4.2 Risk Factors

Risk Factor	Mitigation

5. POST-PROJECT EVALUATION

Within six months of project completion a Project Review Report (PRR) will be completed based on feedback from stakeholders completing the questionnaires.

6. APPENDIX A - OUTLINE GANTT SCHEDULE