

# The Ministry

## Project XYZ

### Assurance Plan

V.02

July 2014

#### Document Approval

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# DOCUMENT CONTROL

## Document History

Version	Issue Date	Author	Description of Changes
V0.1	13/07/14	Jane Smith	Initial Version
V0.2	24/07/14	Jane Smith	Feedback from Senior Responsible Officer incorporated

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# Table of Contents

<b>1. PROJECT CONTEXT .....</b>	<b>4</b>
<b>1.1 Key Objectives and Outcomes .....</b>	<b>4</b>
<b>1.2 Costs and Benefits .....</b>	<b>4</b>
<b>1.3 Risk Rating .....</b>	<b>4</b>
<b>1.4 Referenced Documents .....</b>	<b>5</b>
<b>2. ASSURANCE PLAN OVERVIEW .....</b>	<b>6</b>
<b>2.1 Assurance Approach .....</b>	<b>6</b>
<b>2.2 Lessons Learned .....</b>	<b>6</b>
<b>2.3 Key Assurance Activities .....</b>	<b>6</b>
<b>2.4 Assurance Roles and Responsibilities .....</b>	<b>7</b>
<b>2.5 Assurance Budget .....</b>	<b>8</b>
<b>3. DETAILED ASSURANCE PLAN .....</b>	<b>9</b>
<b>3.1 Critical Project Milestones .....</b>	<b>9</b>
<b>3.2 Ongoing Project Assurance Activities .....</b>	<b>12</b>
<b>4. DECISION MAKING AUTHORITY .....</b>	<b>14</b>

# 1. PROJECT CONTEXT

## 1.1 Key Objectives and Outcomes

The Ministry is responsible for the provision of ABC critical services to New Zealanders. These services rely heavily on ICT systems which are aging and unsupported.

The objective of Project XYZ is to replace the current business systems that support the provision of ABC critical services.

The expected outcomes of Project XYZ are:

- Improved efficiency and effectiveness in the provision of ABC critical services.
- Ability to enable New Zealanders to transact ABC critical services online.
- Reduced costs through access to All-of-Government common capabilities.
- Compliance with security and privacy requirements.
- Increased business resilience.

## 1.2 Costs and Benefits

	NZD \$
Estimated Whole-of-life Cost (WOLC)	\$75,000,000
Expected Monetary Benefits	\$92,250,000
WOLC Duration	7 Years

## 1.3 Risk Rating

Indicative Risk Rating from Risk Profile Assessment (RPA)	High
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The following risks were identified as part of the RPA process:

Type of Risk	Risk
Strategic	If the Ministry fails to successfully deliver Project XYZ, this will potentially have a significant impact on sustainable delivery of ABC critical services. As a result, ministers and the public may lose confidence in the Ministry.
Governance	If governance is ineffective and unresponsive to the needs of Project XYZ, deliverables may be delayed or key decisions may compromise project outcomes.
Operational	If the Ministry does not backfill staff that are required to work on Project XYZ, day-to-day operations may be impacted.
External stakeholder expectations	If key stakeholders involved in the delivery of ABC critical services are not actively engaged, the Ministry may not gain the buy-in required to successfully deliver the project outcomes.
Change management	If the Ministry fails to prepare and manage the level of change required, staff and the public may become dissatisfied.
Project management	If Project XYZ fails to follow good practice project management standards, deliverables may be delayed and/or cost overruns may be incurred.
Financial	If funding is not available for Project XYZ, the Ministry will not be able to deliver the desired project outcomes / benefits.
Procurement	If the Ministry does not follow a robust procurement process, it may not achieve the right solution and/or value for money.

The following are the high risks for Project XYZ taken from the risk register as at 5 July 2014:

Risk Ref (per Risk Register)	Risk	Likelihood	Impact	Risk Rating
1	If the scope of Project XYZ is not clearly documented and agreed in the project definition document, it may result in scope creep causing delays and/or cost overruns.	Possible	Severe	High
5	If the Ministry fails to secure appropriately skilled project resources, it may result in delays to the project.	Highly Likely	Significant	High
6	If staff are not sufficiently engaged, the detailed solution design may not be fit for purpose to meet business requirements.	Highly Likely	Significant	High
9	If security and privacy requirements are not clearly understood early in the project, it may result in rework and increased costs.	Highly Likely	Significant	High
15	If cross-agency partners are not sufficiently engaged, the project may fail to deliver desired outcomes / benefits.	Possible	Significant	High
17	If funding is not available for Project XYZ, the Ministry will not be able to deliver the desired project outcomes / benefits.	Possible but unlikely	Severe	High
18	If the Ministry fails to prepare and manage the level of change required, staff and the public may become dissatisfied.	Possible	Significant	High

## 1.4 Referenced Documents

Document Name	Version No.
Indicative Business Case	FINAL V1.0
Stakeholder Map	DRAFT V.3
Risk Register	June 2014
Dependency Register	June 2014
Project Plan	DRAFT V0.7
Detailed Business Case	DRAFT V0.3

## 2. ASSURANCE PLAN OVERVIEW

### 2.1 Assurance Approach

The overarching objective of the assurance plan is to provide the Senior Responsible Officer (SRO), Project XYZ Steering Committee, Chief Executive (CE) and other key stakeholders with the confidence that Project XYZ is well managed and that the expected benefits will be delivered.

Project XYZ will adopt an integrated assurance approach as follows:

- Day-to-day project management processes and controls based on the PRINCE2 methodology consistently applied, including quality control of project deliverables.
- Internal governance and oversight of Project XYZ, including clear and signed off terms of reference for all governance bodies.
- Independent challenge and assurance, including Internal Audit.

### 2.2 Lessons Learned

A significant component of Project XYZ is the procurement of a business solution to replace legacy systems. As such, the Ministry will rely heavily on the selected vendor to successfully implement a solution that meets functional, security and technical requirements. We have reviewed Gateway Lessons Learned<sup>1</sup> and GCIO ICT Assurance Top 10 Lessons Learned from ICT-enabled projects and programmes<sup>2</sup> and identified the following learnings:

- Ensuring a procurement plan is developed prior to going to market for all of the services to be delivered.
- Having clearly defined statements of work, payment schedule, acceptance criteria, and contractual stage gates for project deliverables with effective off-ramps for use when performance falls short of expectations.

A number of measures have been put in place to ensure that procurement / vendor management risks are managed effectively. These include:

- The end-to-end procurement process will be managed by the Ministry's professional Procurement team, including working with the project team and key stakeholders to develop a clearly defined set of requirements.
- Independent Quality Assurance (IQA) will be performed over capability and management of the vendor prior to implementation.
- Independent legal assurance will be obtained, including review of tender responses to the draft contract, contract negotiations and providing ad hoc commercial advice.

### 2.3 Key Assurance Activities

The key assurance activities that will be performed over Project XYZ are summarised in the table below:

Assurance Activity	Purpose	Audience
Project Risk Register Reviews (bi-monthly and prior to key decision points)	Review and update project risks with all high risks to be reported to the Project XYZ Steering Committee, Executive Leadership Team (ELT) and Audit & Risk Committee.	SRO / Project XYZ Steering Committee / ELT / Audit & Risk Committee
Project Retrospectives (bi-monthly and prior to key decision points)	Identify lessons learned with the Project team and incorporate into project management practices.	SRO
Monthly Project XYZ Steering Committee Meetings	Review project status (based on project quality data) and provide direction.	SRO / Project XYZ Steering Committee
Quarterly Benefits Plan Reviews	Review of the Benefits Plan to ensure that benefits are on track to be delivered.	SRO / Project XYZ Steering Committee

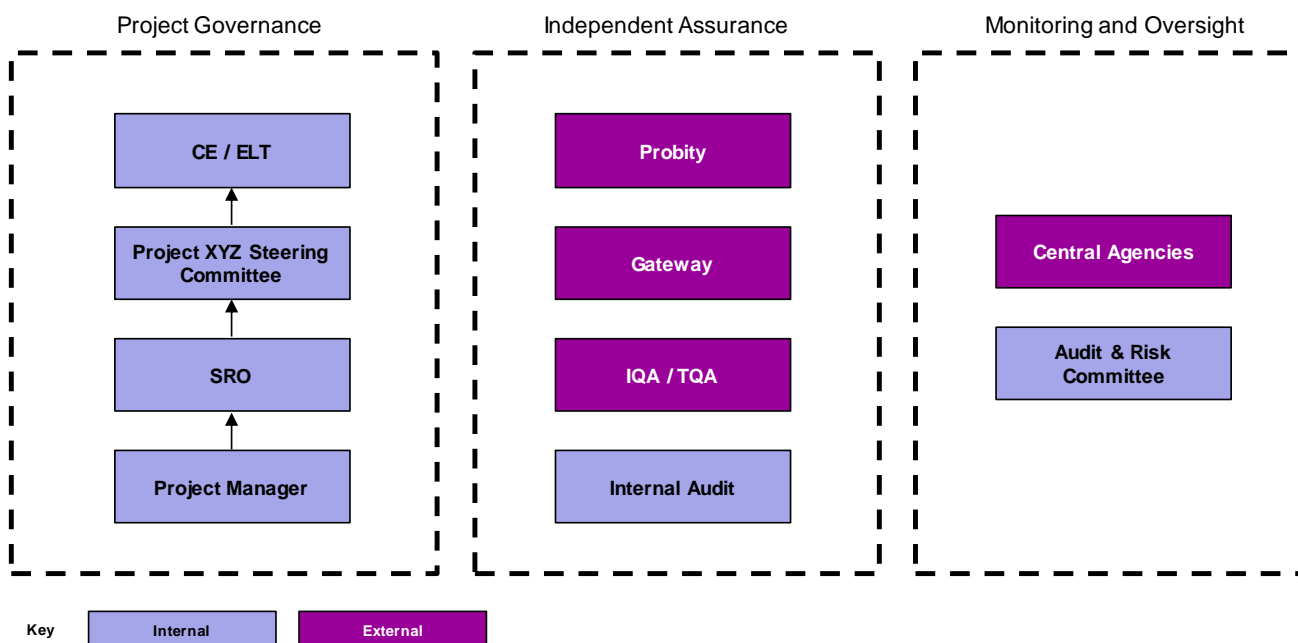
<sup>1</sup> <http://www.ssc.govt.nz/gateway-lessons-learned>

<sup>2</sup> <http://ict.govt.nz/ict-system-assurance/ict-assurance-frameworks/ict-projects-and-programmes-assurance-framework/guidance-and-templates>

Assurance Activity	Purpose	Audience
Quarterly Audit & Risk Committee Meetings	Monitor Project XYZ in the context of the Ministry's overall risk appetite and may request additional assurance activity.	Board
Quarterly ELT Project Status Reports	Review project status (based on project quality data and including benefits management) and provide direction.	CE / ELT
Internal Audit Reviews	Provide assurance that internal controls (including security and privacy controls) are appropriately designed and built into the new system.	Audit and Risk Committee / SRO / Project XYZ Steering Committee
IQA	Provide ongoing independent assurance that the project is being managed in accordance with the Ministry's project management standards, including detailed assurance reviews prior to specific decision points during the project life cycle to provide confidence that expected outcomes and benefits will be achieved.	SRO / Project XYZ Steering Committee
Technical Quality Assurance (TQA)	Provide independent assurance that the project technical solution design is fit for purpose and will meet business requirements and enable business benefits.	SRO / Project XYZ Steering Committee
Probity Audit	Provide independent assurance that appropriate procurement processes have been followed and	SRO / Project XYZ Steering Committee
Gateway Reviews	Provide assurance that the project can progress to the next stage prior to specific decision points during the project life cycle.	SRO

## 2.4 Assurance Roles and Responsibilities

The project governance and assurance structure is shown in the diagram below.



Key assurance roles and responsibilities at the governance level are as follows:

- The SRO is responsible for approving the assurance plan.
- The assurance plan will be endorsed by the Project XYZ Steering Committee, Internal Audit and GCIO ICT Assurance (on behalf of central agencies).
- The Project Manager is responsible for the maintenance of the assurance plan. At a minimum, the assurance plan will be reviewed prior to a key decision gate and/or on a six-monthly basis to ensure it remains appropriate.
- The Project Manager will report on progress against the assurance plan and the implementation of assurance findings and recommendations to the Project XYZ Steering Committee on a bi-monthly basis, as part of regular status reporting.
- All assurance reports will be presented in full to the Project XYZ Steering Committee.
- Internal Audit will log and track assurance findings and recommendations until they are completed. These to the Audit & Risk Committee on a quarterly basis.

As a high risk / high value project, the following additional governance and oversight measures will be implemented:

- The Chief Executive (CE) will endorse the assurance plan and will be briefed on any significant changes to the assurance plan.
- The CE and ELT will receive a quarterly update on the status of the project, including benefits management.
- The CE will be provided with copies of all assurance reports as a matter of course.
- The SRO will brief the CE on the key findings and recommendations from Gateway reviews.
- The Treasury will lead central agency monitoring and receive copies of all IQA / TQA reports.
- The GCIO ICT Assurance team will review and endorse the terms of reference for all IQA / TQA reviews and receive copies of all IQA / TQA reports.

## 2.5 Assurance Budget

	NZD \$
<b>Estimated Assurance Budget</b>	<b>\$1,050,000</b>

The cost of external assurance activities (for the milestones covered by the assurance plan) has been included in the budget estimates for the project. The budget does not include estimates for the costs associated with implementing assurance recommendations.



## 3. DETAILED ASSURANCE PLAN<sup>3</sup>

### 3.1 Critical Project Milestones

Outlined below are the assurance activities that will be performed over the critical project milestones:

Milestone	Indicative Due Date	Assurance Activity / Purpose	Assurance Provider	Status
Decision to proceed with Project Start-Up (strategic risk)	September 2013	<u>Gateway 0 – Strategic Assessment</u> Review to confirm that there is sufficient business need and alignment to the strategic objectives of the Ministry.	Treasury Gateway	Complete
Decision to proceed to Initiation Phase (project governance risk)	November 2013	<u>IQA – Project Initiation</u> Provide assurance that Project XYZ has appropriate governance in place and that there is a robust business justification process.	IQA Pro	Complete
Decision to proceed to Initiation Phase (strategic risk)	January 2014	<u>Gateway 1 – Business Justification</u> Review to ensure that Indicative Business Case is complete and robust and can be delivered.	Treasury Gateway	Complete
Decision to proceed to Implementation Business Case (financial risk)	June 2014	<u>External Verification of Project Financial Model</u> Provide assurance that the financial model for Project XYZ is robust and incorporates appropriate analysis of relevant risks factors.	Fin Modelling Partners	Complete
Decision to proceed to Implementation Business Case (project management risk)	July 2014	<u>IQA – Delivery Strategy / Baseline Health Check</u> Provide assurance that a broad range of delivery options has been considered, the cost and funding models are complete, and that appropriate project management controls are in place.	IQA Pro	Complete
Decision to proceed to Implementation Business Case (delivery risk)	September 2014	<u>Gateway 2 – Delivery Strategy</u> Review of the acquisition and delivery strategy to ensure they are appropriate for the desired business change and that implementation plans are in place.	Treasury Gateway	Not Started

<sup>3</sup> Each assurance activity is supported by a specific terms of reference. The terms of reference should be referred to for detailed information regarding the assurance activity.

Milestone	Indicative Due Date	Assurance Activity / Purpose	Assurance Provider	Status
Decision to proceed to Delivery Phase (technical scope risk)	February 2015	<u>TQA – High Level Design</u> Provide assurance that the high level technical solution design is fit for purpose and will meet business requirements.	Technical Consultants Limited	Not Started
Decision to proceed to Delivery Phase (legal risk)	March 2015	<u>Legal Assurance</u> Provide assurance over the appropriateness of tender responses to the draft contract and ad hoc commercial advice.	Legal Advisors LLP	Not Started
Decision to proceed to Delivery Phase (probity risk)	March 2015	<u>Probity Audit</u> Review the appropriateness of the procurement processes.	Probity Auditors Incorporated	Not Started
Decision to proceed to Delivery Phase (scope risk)	April 2015	<u>IQA – Delivery Readiness / Vendor Management</u> Provide assurance that the detailed scoping is robust and that Project XYZ is well positioned to deliver, including the capability and management of the vendor.	IQA Pro	Not Started
Decision to proceed to Delivery Phase (delivery risk)	May 2015	<u>Gateway 3 – Investment Decision</u> Review to ensure Project XYZ is still required, affordable and achievable.	Treasury Gateway	Not Started
Decision to proceed to System Build (internal control risk)	July 2015	<u>Internal Controls – Design</u> Review to ensure that internal controls have been appropriately designed into the new system, including security and privacy controls.	Internal Audit	Not Started
Decision to proceed to Test (technical delivery risk)	February 2016	<u>TQA – Code and Configuration Review</u> Provide assurance that system build is fit for purpose and will meet business requirements.	Technical Consultants Limited	Not Started
Decision to Go-Live (change management risk)	June 2016	<u>IQA – Business Readiness</u> Provide assurance that the change management plan is robust and the business is well positioned to receive the project.	IQA Pro	Not Started
Decision to Go-Live (internal control risk)	August 2016	<u>Internal Controls – Testing</u> Review to ensure that internal controls have been appropriately built into the new system, including security and privacy controls.	Internal Audit	Not Started

Milestone	Indicative Due Date	Assurance Activity / Purpose	Assurance Provider	Status
Decision to Go-Live (technical delivery risk)	October 2016	<u>TQA – ICT Readiness and Transition Plan</u> Provide assurance that the ICT transition plan is robust and ICT is well positioned to receive the system.	IQA Pro	Not Started
Decision to Go-Live (delivery risk)	November 2016	<u>Gateway 4 – Readiness for Service</u> Review to ensure that the organisation is ready to make the transition to implementation, and that ownership and governance are in place for operation.	Treasury Gateway	Not Started
Three to Six Months after Go-Live	March 2017	<u>Post Implementation Review</u> Provide assurance that Project XYZ has delivered to the approved scope, funding approvals, will meet the agreed business needs, lessons learned have been captured, and a risk management strategy is in place to manage residual risks.	Internal Audit	Not Started
Six to Twelve Months after Go-Live	July 2017	<u>IQA – Benefits Realisation</u> Provide assurance that benefits are being tracked and realised.	IQA Pro	Not Started
Six to Twelve Months after Go-Live	August 2017	<u>Gateway 5 – Operational Review and Benefits Realisation</u> Review to ensure that the desired benefits are being achieved and that the business changes are operating smoothly.	Treasury Gateway	Not Started

### 3.2 Ongoing Project Assurance Activities

Outlined below are assurance and oversight activities that will occur at regular intervals over the project risks:

Assurance Activity / Purpose	Key Risks	Assurance Provider	Frequency
<u>Project Risk Register Reviews</u> Review and update project risks with all high risks to be reported to the Project XYZ Steering Committee.	All project risks	Project Manager	Bi-monthly and prior to key decision points
<u>Project Retrospectives</u> Identify lessons learned with the Project Team and incorporate into project management practices.	Project management risks	Project Manager	Bi-monthly and prior to key decision points
<u>Project XYZ Steering Committee</u> Review project status (based on quality project data) and provide direction.	All high project risks	SRO / Project XYZ Steering Committee	Monthly
<u>Quarterly Benefits Plan Reviews</u> Review of the Benefits Plan to ensure that benefits are on track to be delivered.	Benefits realisation risks	SRO / Project XYZ Steering Committee	Quarterly
<u>Audit &amp; Risk Committee Meetings</u> Monitor Project XYZ in the context of the Ministry's overall risk appetite.	All high project risks	Internal Audit	Quarterly
<u>ELT Project XYZ Status Reports</u> Review project status (based on quality project data and including benefits management) and provide direction.	All high project risks	ELT	Quarterly
<u>IQA – Project Health Checks</u> Provide assurance over a range of project management processes and controls.	Project management risks	IQA Pro	Quarterly

### Critical Project Dependencies

Outlined below are critical project dependencies (external to the project) and associated assurance activities:

Dependency	Key Date	Assurance Activity	Assurance Provider
Project XYZ is dependent on the Ministry's planned refresh of the IT infrastructure platform. If this is not in place to support testing then the project will be delayed.	December 2015	Monitored by the Project XYZ Steering Committee	Internal

## 4. DECISION MAKING AUTHORITY

Outlined below is the decision making authority for all parties involved in the design and approval of the specific **terms of reference** for each type of assurance activity.

	Decision Making Authority
<b>R</b>	Recommend(s) the terms of reference for the assurance activity
<b>A</b>	Approve(s) <sup>4</sup> the terms of reference for the assurance activity
<b>C</b>	Consulted in reaching the terms of reference for the assurance activity
<b>I</b>	Informed of the terms of reference for the assurance activity

Assurance Activity	CE / ELT	SRO	Project XYZ Steering Committee	Project Manager	Internal Audit	Procurement	Treasury	CGIO ICT Assurance	Other Central Agencies
Project Risk Register Reviews	I	A	I	C	C	I	I	I	I
Project Retrospectives	I	A	I	R	I	I	I	I	I
Project XYZ Steering Committee Meetings	I	R	A	C	C	I	I	I	I
Benefits Plan Reviews	I	R	A	C	C	I	I	I	I
Audit & Risk Committee Meetings	I	R	C	C	A	I	I	I	I
ELT Project XYZ Status Reports	A	R	C	C	C	I	I	I	I
Internal Audit Reviews	I	C	C	C	A	I	I	I	I
IQA Reviews	A	A	C	C	C	I	C	A	C
TQA Reviews	A	A	C	C	C	I	C	A	C
Probity Audit	I	A	C	S	R	R	I	I	I
Gateway Reviews	I	C	C	C	C	I	A	I	I

<sup>4</sup> GCIO ICT Assurance will review and endorse the terms of reference for IQA / TQA reviews for monitored projects.