

**MEDIA RELEASE****21 June 2019****ICT Strategic Planning**

Auditor-General, Mr Michael Harris, today presented a report on **ICT Strategic Planning** to the Speaker for tabling in the ACT Legislative Assembly.

Mr Harris says ‘ACT Government initiatives to improve whole-of-government ICT strategic planning have not been effective’.

‘A key whole-of-government ICT strategic planning document is the *ACT Government Digital Strategy 2016-2019* (the Digital Strategy). It provides a high-level vision statement for ICT for the ACT Government and seeks to bring cohesion to ACT Government directorates’ ICT strategic planning ‘through a common purpose, language and perspective’. However, there is little further information on the practical implications of the ACT Government’s vision for ICT, as identified in the Digital Strategy, and how this should be used to inform, or be translated into, directorate-specific ICT strategic planning processes and documents’.

The audit found that a series of initiatives flagged in the Digital Strategy to promote whole-of-government ICT strategic planning, and which may have provided further information on the practical implications of the ACT Government’s vision for ICT, have not been effective, including cross-directorate Digital Strategy Workshops and the completion of self-assessment scorecards by directorates against the strategic principles identified in the Digital Strategy.

Mr Harris says ‘there is considerable variability and inconsistency in ACT Government directorates’ ICT strategic planning processes. While some ACT Government directorates demonstrate a level of maturity in their approach to ICT strategic planning, and there are examples of better practice in some of the directorates, the variability in the quality and consistency of ICT strategic planning outputs impairs the ability of ICT to effectively support directorate strategic goals and objectives’.

The audit found that the absence of a consistent, identifiable ICT strategic planning framework, with clear roles and responsibilities, timeframes and deliverables, makes it difficult for ACT Government directorates to consistently and effectively plan for ICT.

The summary of the **ICT Strategic Planning** audit, with audit conclusions, key findings and three recommendations are attached to this media release.

Copies of **ICT Strategic Planning: Report No. 06/2019** are available from the ACT Audit Office’s website [www.audit.act.gov.au](http://www.audit.act.gov.au) . If you need assistance accessing the report please phone 6207 0833 or go to 11 Moore Street, Canberra City.

# SUMMARY

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## Conclusions

### ICT STRATEGIC PLANNING IN THE DIRECTORATES

There is considerable variability and inconsistency in ACT Government directorates' ICT strategic planning processes. While some ACT Government directorates demonstrate a level of maturity in their approach to ICT strategic planning, and there are examples of better practice in some of the directorates, the variability in the quality and consistency of ICT strategic planning outputs impairs the ability of ICT to effectively support directorate strategic goals and objectives and whole-of-government goals and objectives.

The absence of a consistent, identifiable ICT strategic planning framework, with clear roles and responsibilities, timeframes and deliverables, makes it difficult for ACT Government directorates to consistently and effectively plan for ICT. This increases the risk of inconsistent and inappropriate ICT planning decisions across directorates and impairs the opportunity for collaboration across directorates and the achievement of whole-of-government efficiencies and cost-savings through consistent planning and procurement decisions.

### WHOLE-OF-GOVERNMENT ICT STRATEGIC PLANNING

ACT Government initiatives to improve whole-of-government ICT strategic planning have not been effective.

A key whole-of-government ICT strategic planning document is the *ACT Government Digital Strategy 2016-2019* (the Digital Strategy). It provides a high-level vision statement for ICT for the ACT Government and seeks to bring cohesion to ACT Government directorates' ICT strategic planning 'through a common purpose, language and perspective'. However, there is little further information on the practical implications of the ACT Government's vision for ICT, as identified in the Digital Strategy, and how this should be used to inform, or be translated into, directorate-specific ICT strategic planning processes and documents. A series of initiatives flagged in the Digital Strategy to promote whole-of-government ICT strategic planning, and which may have provided further information on the practical implications of the ACT Government's vision for ICT, have not been effective, including cross-directorate Digital Strategy Workshops and the completion of self-assessment scorecards by directorates against the strategic principles identified in the Digital Strategy. An Application Portfolio Management tool, an initiative that sought to comprehensively identify and document the 'current state' of ICT across directorates and inform future whole-of-government planning and procurement decisions was poorly implemented.

The establishment of a Digital Service Governance Committee in April 2016 sought to improve whole-of-government ICT strategic planning communication and coordination; it meets regularly and provides an effective forum for discussing key ICT strategic planning issues across the directorates. It is also effectively supported by an ICT Briefs and Business Cases Sub-Committee, which reviews directorates' ICT concept and budget bids, and provides advice which informs the budget deliberation process. However, other sub-committees that were envisaged to support the Digital Service Governance Committee, and which could have better and more proactively informed whole-of-government ICT strategic planning have not been established, including a Strategy and Roadmap Advisory sub-committee and Common Capability and Standards sub-committee.

## Key Findings

### ICT STRATEGIC PLANNING IN THE DIRECTORATES

Paragraph

An effective ICT strategic plan, aligned to the organisation's strategic objectives and priorities provides assurance to senior management and other stakeholders that ICT investment and activities are being directed to support the organisation in achieving its strategic goals. ICT strategic plans should explicitly link the ICT business unit's activities to organisational goals. A review of directorates' ICT strategic planning documentation shows that this was not done effectively. While most (but not all) ICT strategic planning documents identified directorate objectives and priorities there was little further information or elaboration as to how ICT strategic objectives contributed to them. By not doing so, directorates increase the risk of misalignment between ICT strategic planning and directorate organisational planning.

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An effective ICT strategic plan should identify the ICT capabilities required to meet the organisation's foreseeable business needs over the life of the plan. This demonstrates that the plan is relevant to the organisation's requirements and facilitates prioritisation of spending and effort, including re-prioritisation when business needs change. A review of directorates' ICT strategic planning documentation shows that this was not done effectively. While future ICT capabilities could be interpreted from various aspects of directorates' ICT strategic planning documents, this was usually done in a generic way. There was little further information on what this practically meant for the directorate's future ICT requirements, including the technology or software that might be needed.

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A comprehensive analysis of the current state of an organisation's ICT capabilities is an important element in the ICT strategic planning process. A summary of the results should be included in ICT strategic planning documents as evidence that the analysis has been done, as justification for the proposed change program, and for the information of internal and external stakeholders. A review of directorates' ICT strategic planning documentation shows that this was not done effectively. While

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some directorates' ICT strategic planning documents acknowledge shortcomings in the current state of ICT in the directorate, particularly with reference to ageing or legacy systems, this is primarily in a high-level conceptual way. Most directorates' ICT strategic planning documents are focused on identifying and asserting strategies and actions to be implemented (in a high-level conceptual way), with little recognition of the current state of ICT in the directorate and how the current state will affect the delivery of ICT strategies, priorities and objectives identified in the document.

An effective ICT strategic plan should include details of the projects and other initiatives that will be used to implement the desired changes that the plan describes. An ICT roadmap setting out the change initiatives required to move from the current state to the desired future state is an important element of any ICT strategic plan. An ICT roadmap in a strategic plan should identify, at a minimum, the work to be done and when it is expected to be completed. A review of directorates' ICT strategic planning documentation shows that the documents inconsistently identified actions to be undertaken to address current and expected future gaps in ICT capabilities. While the directorates' ICT strategic planning documents generally identified actions to be undertaken, many of these were described generically, with no further information on how they contributed to closing the gaps in capabilities. Some ICT strategic planning documents identified projects currently underway in the directorate in relation to specific ICT systems or activities, but there was little further information on timeframes and deliverables. Both the Transport Canberra and City Services Directorate and Justice and Community Safety Directorate developed ICT roadmaps, which are effective in identifying and reporting on planned activities for the directorates' current ICT systems, but there is no clear link or articulation of how these activities and projects are expected to address identified gaps between the current and future states of ICT in the directorate.

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An effective ICT strategic plan should outline the governance arrangements in place to oversee its implementation, including roles and responsibilities for implementation. This provides important information for internal and external stakeholders, and mitigates the risks of duplication or gaps in delivery. Most directorates' ICT strategic planning documents effectively documented governance arrangements for the delivery of ICT, although there was little information in the documents with respect to Shared Services ICT and its role in the implementation of directorates' ICT strategic plans.

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An effective ICT strategic plan should identify metrics, key performance indicators and baseline data, so that progress on the implementation of ICT strategies can be measured and reported. ICT roadmaps were prepared by the Transport Canberra and City Services Directorate and Justice and Community Safety Directorate, which provide a basis on which progress on the implementation of ICT strategies can be measured and reported. There was no further information in the ICT strategic

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planning documents of the other directorates, including details of an implementation plan or road map which sets out detailed actions to be taken, due dates or responsibilities. The ICT strategic planning documents of the directorates did not include information on metrics, key performance indicators and baseline data, by which to measure progress on the ICT strategy.

## WHOLE-OF-GOVERNMENT ICT STRATEGIC PLANNING

Paragraph

The *ACT Government Digital Strategy 2016-2019* (the Digital Strategy) was released in 2016, with the purpose of ‘clearly [expressing] the ACT Government’s intentions and [creating] the impetus and architecture for fully digitised services and technology platform renovation’. The Digital Strategy provides a high-level vision for ICT for the ACT Government. The Digital Strategy acknowledges that ‘it is not a detailed action plan—although many actions will be informed and guided by it. The scope is deliberately at a whole of government level to lay foundations and set direction rather than endeavouring to be a digital master plan’. The Digital Strategy also acknowledges that ‘it cannot answer all the questions – and in fact will add questions. But it will bring cohesion – through a common purpose, language and perspective’. The Digital Strategy, while useful in providing a vision statement for ICT for the ACT Government, does not serve the purpose of an ICT strategic plan. It does not include further or more detailed information on inter alia:

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- how it links with, or supports, the ACT Government’s strategic priorities;
- the ICT capabilities required to meet the ACT Government’s business needs;
- the ‘current state’ of the ACT Government’s ICT capabilities; and
- how, and by when, gaps between current and required ICT capabilities are to be closed.

The establishment of Shared Services ICT in 2007 was an attempt to achieve a more effective whole-of-government approach to the management and administration of ICT services across ACT Government agencies, particularly with respect to common or shared platforms and applications. An undated *ICT Roles and Responsibilities* document seeks to assign roles and responsibilities for the management and administration of ICT services between Shared Services ICT and the directorates. With respect to strategic planning activities for ICT, the *ICT Roles and Responsibilities* document clearly identifies a responsibility for directorates to ‘Develop an ICT strategic plan for the Directorate in line with any government-wide ICT strategies’, ‘Communicate (through various agreed mechanisms) about Directorate business needs and challenges, including future state needs’ and ‘Provide clear direction and priority setting around ICT work required’. The *ICT Roles and Responsibilities* document identifies that there is a shared role for Shared Services ICT and the directorates as follows: ‘In collaboration with SSICT, set priorities for functional requirements, system or infrastructure features and use cases’ and ‘In consultation

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with SSC, jointly identify, evaluate and procure new ICT equipment and infrastructure to support business operations’.

Shared Services ICT has developed a series of documents that demonstrate elements of an ICT strategic planning approach, specifically the *ICT Business Strategy 2017-19* (February 2017) and *Exemplary Services for Digital Citizens - Common ICT Capability Vision 2020+* (February 2018). These are high-level documents, which are general in nature and vague in their description of activities to be undertaken, including timeframes and deliverables. The documents do not describe the ‘current state’ of ICT capability within Shared Services ICT (or across ACT Government agencies where appropriate) or how, and by when, the gaps between the current and required ICT capabilities are to be closed, with any specificity. A Technology Roadmap, which was identified as a key foundational project to be undertaken, is still under development by Shared Services ICT approximately twelve months after it was flagged. 3.42

In June 2016, the ICT Collaboration Forum endorsed the use of an Application Portfolio Management (APM) tool developed by Shared Services ICT. The Application Portfolio Management (APM) tool sought to capture an overview of existing ICT systems across government, including systems owned and operated by Shared Services ICT and by directorates, and provide a roadmap for future investment. The concept of application portfolio management, and the use of a tool to assist, is appropriate. However, the Application Portfolio Management (APM) tool developed by Shared Services ICT lacked functionality. The tool has not been widely and consistently used or populated by the directorates and its information is incomplete and out-of-date. It has not been an effective mechanism to inform whole-of-government ICT strategic planning by providing a comprehensive overview of the current state of ICT across ACT Government directorates. 3.53

In April 2016 the Strategic Board agreed to, and endorsed, the *ACT Government – ICT Governance Framework*. An outcome expected from the establishment of the *ACT Government – ICT Governance Framework* was ‘an opportunity to maximise the benefit realisation and return-on-investment for the Territory’s annual ICT spend by implementing a more encompassing approach to the ICT portfolio governance’. The *ACT Government – ICT Governance Framework* notes and acknowledges the roles of different ACT Government entities associated with ICT strategic planning, including the Strategic Board, Office of the Chief Digital Officer, directorates and agencies and Shared Services ICT. The *ACT Government – ICT Governance Framework* seeks to identify and document a more collaborative and communicative approach to strategically manage ICT across ACT Government agencies. 3.57

The Digital Service Governance Committee was established by the Head of Service on 7 April 2016, in accordance with the *ACT Government – ICT Governance Framework*. The Committee ‘seeks to strengthen the benefit realisation of WhoG ICT portfolio investment management across-government by taking a service-wide, 3.67

citizen-centric approach and looking for ways to share information and resources' and 'aims to maximise the value-for-money and benefits realisation derived from the ACT Government ICT investment' by taking a strategic approach to seeking opportunities for whole-of-government initiatives and prioritising service integration, economies-of-scale and/or other improvements to effectiveness and efficiency. The Digital Service Governance Committee meets regularly and considers a wide variety of ICT-related issues relevant to whole-of-government strategic ICT planning. The committee represents an effective attempt at improving whole-of-government communication and coordination of strategic ICT planning, although it is noted that the attendance of alternative senior executives, in place of the intended Deputy Directors-General, may impede the authority and decision-making capability of the committee.

An ICT Briefs and Business Cases Sub-Committee has been established to support the activities of the Digital Service Governance Committee. The sub-committee's role is to review and provide advice to the Digital Service Governance Committee on budget bids from across ACT Government which have a significant digital component. The sub-committee has been an active committee; meeting regularly, and as often as weekly, during critical budget review periods. The sub-committee assesses concept and budget bids using an assessment tool with comprehensive evaluation criteria, resulting in an assessment of a project as Category A (strongly supported), Category B (supported) or Category C (conditionally supported but not considered urgent). The establishment of the sub-committee is an effective attempt at improving whole-of-government communication and coordination of strategic ICT planning, by facilitating cross-agency consideration of new systems.

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A number of other sub-committees were also envisaged by the Digital Service Governance Committee, including a Strategy and Roadmap Advisory sub-committee and Common Capability and Standards sub-committee. These sub-committees were not established as expected. This is a missed opportunity to establish specific sub-committees that could have had a clear and explicit role in whole-of-government ICT strategic planning by understanding and promoting common capabilities across ACT Government directorates and developing strategies for enhanced ICT collaboration.

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A series of Digital Strategy Workshops were held with most ACT Government directorates (all but the Health Directorate) in late 2016 and early 2017, the purpose of which was to 'assist [the directorates] in interpreting the Strategy within their own context and to develop their own road maps for implementation'. As part of the Digital Strategy Workshops directorates completed self-assessment scorecards, which sought to 'track progress against the strategy principles over time'. There was no further information on the application or use of the scorecards, including: how frequently they should be reviewed and updated; or how progress on the scorecard and its use and implementation should be reviewed and monitored. No further

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Digital Strategy Workshops have been held since then for the purpose of revisiting or reviewing progress against the original self-assessment scorecards.

The *ACT Government Digital Strategy 2016-2019* envisaged the preparation of a strategy implementation roadmap, which was intended to 'be constructed collegially and managed as a measure of our digital progress and enterprise cohesion'. There is no further guidance in the strategy as to the purpose and application of the strategy implementation roadmap, including who had responsibility and accountability for progressing the roadmap. A strategy implementation roadmap has not yet been produced. A Strategy and Roadmap Advisory sub-committee that was envisaged to be established to support the activities of the Digital Service Governance Committee has not been established. 3.98

The *ACT Government Digital Strategy 2016-2019* envisaged that each directorate was expected to 'present and maintain a roadmap for their portfolio of systems and applications'. The directorates' roadmaps were expected to 'support investment decisions by providing a strategic context and ensuring there is not a build-up of technology debt and risk'. Roadmaps have not been presented to the Digital Service Governance Committee for consideration and review on an ongoing basis by ACT Government directorates. 3.101

The *ACT Government Digital Strategy 2016-2019* identified an intention to establish a set of Common Capabilities for ICT across ACT Government directorates, which have since been defined as "any technology that has use across directorates or whole of government' where there are potential advantages in collaborating to enable the sharing of ICT investment and pooled resources, the reduction of duplicated investments and rationalisation of procurement effort'. A Common Capabilities sub-committee that was envisaged to be established to support the activities of the Digital Service Governance Committee in implementing the principles of Common Capabilities was not established. Nevertheless, in June 2018 a Common Capabilities framework was endorsed by the Digital Service Governance Committee. Strategic Platforms, which are technologies already provided by Shared Services ICT to directorates as part of its core service delivery, would be recognised as the 'first, core set of technologies governed under the proposed Common Capabilities framework'. 3.113

The Common Capabilities framework represents a concerted effort by multiple stakeholders to rationalise the whole-of-government ICT infrastructure. However, because neither the current ICT environment nor agencies' business needs have been formally and consistently documented, the framework's benefits will not be optimised unless it is situated within a comprehensive strategic planning process. The Digital Service Governance Committee also acknowledged, in June 2018, the work that needed to be done to populate the agreed Common Capabilities 3.114

framework and 'understand the resources required to implement the framework, and how those resources would be supported and allocated'.

In December 2018, the Strategic Board requested that Shared Services and the Office of the Chief Digital Officer gain an understanding of the ACT Government's critical ICT systems. A risk-based assessment was conducted in January across ACT Government directorates, which focused on ICT systems that have been classified as 'government critical' (i.e. systems that have been assessed as 'Requir[ing] continuous availability. Interruptions to the system or service are intolerable, immediately and significantly damaging'). Fifty government critical systems were identified; 17 for the Health Directorate and 33 for the other directorates. Twenty percent of systems were identified as not fit for purpose, with immediate investment required, while a further twenty percent were identified as fitting business needs, but with near term investment required.

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The December 2018 request by the Strategic Board was the catalyst for intensive and focused action by ACT Government directorates in identifying and documenting the 'current state' of ACT Government ICT systems, albeit through a limited but risk-based focus on 'government critical' systems. The exercise was acknowledged as 'the first step in a much larger body of work that will need to extend to Business Critical systems and beyond'. This demonstrates that existing ICT strategic planning processes, including whole-of-government ICT strategic planning initiatives, have not been effective to date.

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## Recommendations

### RECOMMENDATION 1 ICT STRATEGIC PLANNING FRAMEWORK

The Chief Minister, Treasury and Economic Development Directorate should develop and implement an ICT strategic planning framework for ACT Government, its directorates and agencies. The ICT strategic planning framework should promote consistency and coordination of ICT strategic planning activities by identifying:

- a) roles, responsibilities and timeframes for ICT strategic planning; and
- b) minimum requirements for ICT strategic planning outputs and deliverables, including:
  - i) the strategic priorities and objectives of the directorate (including any whole-of-government priorities and objectives) and how the strategies in the ICT strategic plan contribute to these;
  - ii) the 'current state' of ICT in the directorate;
  - iii) future capabilities and requirements for ICT in the directorate; and
  - iv) a detailed program of work, or technology roadmap, to 'close the gap' between the 'current state' and future capabilities and requirements.

### RECOMMENDATION 2 WHOLE OF GOVERNMENT ICT STRATEGIC PLAN

The Chief Minister, Treasury and Economic Development Directorate should develop a whole-of-government ICT strategic plan that supports the ACT Government Digital Strategy. The whole-of-government ICT strategic plan should identify at a minimum:

- a) the ICT capabilities required to meet the ACT Government's business needs;
- b) the 'current state' of the ACT Government's ICT capabilities; and
- c) how, and by when, gaps between current and required ICT capabilities are to be closed.

### RECOMMENDATION 3 APPLICATION PORTFOLIO MANAGEMENT TOOL

In order to support the development of a whole-of-government ICT strategic plan the Chief Minister, Treasury and Economic Development Directorate should develop and implement a whole-of-government application portfolio management approach, including:

- a) identification and implementation of a software tools that assists directorates to identify:
  - i) existing ICT systems, hardware and capabilities;
  - ii) future ICT systems, hardware and capabilities and associated investment needs; and
- b) development and formalisation of governance arrangements, including roles, responsibilities and processes for the implementation and maintenance of the software tools and its data.

## Agencies responses

In accordance with subsection 18(2) of the *Auditor-General Act 1996*, the Justice and Community Safety Directorate, Transport Canberra and City Services Directorate and Chief Minister, Treasury and Economic Development Directorate were provided with:

- a draft proposed report for comment. All comments are considered and required changes reflected in the final proposed report; and
- a final proposed report for further comment.

In accordance with subsection 18(3) of the *Auditor-General Act 1996* the Community Services Directorate, Education Directorate, Environment Planning and Sustainable Development Directorate and Health Directorate were also provided with a draft proposed report for comment and a final proposed report for further comment.

No comments were provided for inclusion in this Summary Chapter.